

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
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25. Provisions (continued)

Rehabilitation of quarry sites

The provision for rehabilitation of quarry sites relates to the legal obligation to rehabilitate quarry sites to a condition whereby it complies to the permit requirements issued in terms of the Mineral and Petroleum Resources Development Act, (Act 28 of 2002). The provision was determined by an independent expert for the rehabilitation cost in 2015 and then approximated the expected future cash flows using reasonable estimation techniques. The discount rate used for all the quarry sites is based on a CPA rate that matures as close as possible to the future date of the rehabilitation, the rate is 13.491% (2015: 4.789%) for the circumstances of the entity.

Quarries consists of:	Restoration date:
<u>Bloemfontein</u>	
Cecelia	2018
Sunnyside	2018
Kgotsoong	2016
Ipopeng	2016
Chris Hani	2016
Caleb Motsoabi	2016
N1	2016
<u>Botshabelo</u>	
K-Section	2016
F1-Section	2016
F2.1-Section	2016
F2.2-Section	2016
W-Section	2016
S-Section	2016
B-Section	2016
<u>Thaba Nchu</u>	
Seroala	2016
Thubisi	2016
Putsane	2016
Merino	2016
Rhakoi	2016
Sediba	2016
Rooibult	2016
Kgalala	2016
Baraclava 1	2016
Baraclava	2016
Bultfontein 3	2016
Modutung	2016
Talla	2016
Nogas Pst	2016

The final restoration of quarry sites are expected to be in the year listed above, being the estimated useful lives of quarry sites. No uncertainties were listed in the engineer's report. The certainty and the timing of the outflow of these liabilities are uncertain and the amounts disclosed are the possible outflow amounts.

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
26. Employee benefit obligations		
Defined benefit plan		
The defined benefit liability as disclosed below is represented by three different post-employment benefits. None of the benefits set out below are externally funded.		
Pension benefits		
Pension gratuities are payable to retired employees and pensioners who were in service of the council on or before 1 October 1981, who did not qualify to be members of the FS Joint Municipal Pension Fund or FS Local Government Pension Fund, or who were not members of a pension fund by this date, with 20 years of uninterrupted service and a minimum retirement age of 60 years have been obtained.		
Post retirement medical aid plan		
Active members receive a fixed subsidy of 60% of medical aid contributions during the current working year, up to a specified maximum employer contribution. The spouse or adult dependant of an active member is entitled to a 60% subsidy of their contributions. This proportion of the subsidy will continue to be paid in the event of the principal member's death.		
Continuation members receive a fixed subsidy of 60% of medical aid contributions during the current working year, up to a specified maximum employer contribution. The spouse or adult dependant of a continuation member is entitled to a 60% subsidy of their contributions.		
Long service award		
Long service awards are payable to qualifying in-service employees. The leave benefits are in accordance with paragraph 11 of the South African Local Government Bargaining Council (SALGBC) collective agreement on conditions of service for the Free State division of SALGBC.		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	723,671,000	642,594,000

Mangaung Metropolitan Municipality
Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
-----------------	------	------

26. Employee benefit obligations (continued)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	642,594,000	557,216,000
Current service cost	36,257,000	30,395,000
Past service cost	-	24,045,000
Interest cost	60,374,000	52,964,000
Actuarial (gains) losses	388,000	(3,254,000)
Benefits paid	(15,942,000)	(18,772,000)
	723,671,000	642,594,000

2012

	Pension fund	Medical aid	Long service award	Total
Defined benefit obligation as at 30 June 2011	6,714,000	383,958,000	51,639,000	442,311,000
Interest cost	555,000	35,100,000	4,744,000	40,399,000
Current service cost	61,000	14,242,000	4,518,000	18,821,000
Benefits paid / (expected)	(367,000)	(6,569,000)	(7,126,000)	(14,062,000)
Actuarial (gains) / losses	(1,769,000)	(146,180,000)	4,591,000	(143,358,000)
	5,194,000	280,551,000	58,366,000	344,111,000

2013

	Pension fund	Medical aid	Long service award	Total
Defined benefit obligation as at 30 June 2012	5,194,000	280,551,000	58,366,000	344,111,000
Interest cost	407,000	25,797,000	4,589,000	30,793,000
Current service cost	47,000	12,922,000	5,575,000	18,544,000
Benefits paid / (expected)	(452,000)	(6,912,000)	(7,460,000)	(14,824,000)
Actuarial (gains) / losses	797,000	60,044,000	13,499,000	74,340,000
	5,993,000	372,402,000	74,569,000	452,964,000

2014

	Pension fund	Medical aid	Long service award	Total
Defined benefit obligation as at 30 June 2013	5,993,000	372,402,000	74,569,000	452,964,000
Interest cost	453,000	34,729,000	5,577,000	40,759,000
Current service cost	43,000	17,517,000	7,547,000	25,107,000
Benefits paid / (expected)	(381,000)	(7,566,000)	(10,444,000)	(18,391,000)
Actuarial (gains) / losses	(943,000)	54,590,000	3,130,000	56,777,000
	5,165,000	471,672,000	80,379,000	557,216,000

2015

	Pension fund	Medical aid	Long service award	Total
Defined benefit obligation as at 30 June 2014	5,165,000	471,672,000	80,379,000	557,216,000
Interest cost	426,000	45,955,000	6,583,000	52,964,000
Current service cost	49,000	22,228,000	8,118,000	30,395,000
Past service costs	-	24,045,000	-	24,045,000
Benefits paid / (expected)	(354,000)	(8,357,000)	(10,061,000)	(18,772,000)
Actuarial (gains) / losses	(352,000)	1,635,000	(4,537,000)	(3,254,000)
	4,934,000	557,178,000	80,482,000	642,594,000

2016

	Pension fund	Medical aid	Long service award	Total
Defined benefit obligation as at 30 June 2015	4,934,000	557,178,000	80,482,000	642,594,000
Interest cost	405,000	53,241,000	6,728,000	60,374,000
Current service cost	47,000	27,719,000	8,491,000	36,257,000
Benefits paid / (expected)	(322,000)	(9,138,000)	(6,482,000)	(15,942,000)
Actuarial (gains) / losses	(247,000)	(2,563,000)	3,198,000	388,000
	4,817,000	626,437,000	92,417,000	723,671,000

Estimated future contributions

	Pension fund	Medical aid	Long service award	Total
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Mangaung Metropolitan Municipality
Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand			2016	2015
26. Employee benefit obligations (continued)				
Defined benefit obligation as at 30 June 2016	4,817,000	626,435,000	92,417,000	723,669,000
Interest cost	419,000	62,284,000	7,912,000	70,615,000
Current service cost	50,000	33,203,000	9,199,000	42,452,000
Benefits paid / (expected)	(341,000)	(9,046,000)	(11,731,000)	(21,118,000)
	4,945,000	712,876,000	97,797,000	815,618,000

Key assumptions used

Assumptions used at the reporting date:

Discount rate - Pension fund	9.00 %	8.50 %
Discount rate - Medical aid	9.75 %	9.40 %
Discount rate - Long service award	8.65 %	8.40 %
Expected increase in healthcare costs	9.26 %	8.90 %
Salary inflation rate - Pension fund	8.65 %	8.25 %
Salary inflation rate - Long service award	8.35 %	8.10 %
Expected pension increases	6.65 %	6.25 %
Inflation rate - Pension fund	6.65 %	6.25 %
Inflation rate - Medical aid	7.26 %	6.90 %
Inflation rate - Long service awards	6.35 %	6.10 %
Membership discontinued at retirement or death-in-service	10.00 %	10.00 %
Expected retirement age (years)	63	63

The tables used in determining the pre- and post-retirement mortality were as follows:

Pre-retirement mortality: SA85-90 Light rated down 1 year

Post-retirement mortality: PA(90) rated down 1 year plus 1% future mortality improvement from 2010.

Government bond yields were used when setting the best-estimate discount rate assumption for health care cost.

The estimated discount rate health care cost was set equal to the yield on the BESA zero-coupon yield curve with a term of 19 years, the expected duration of the liability based on the current membership data, as at 30 June 2016.

Withdrawal rate assumptions:

In the absence of credible past withdrawal data for these particular schemes, the withdrawal assumptions have been set in line with those generally observed in the South African market.

The withdrawal rates vary from 13.30% to 2.90% for the age group 20 - 50 years, while the estimated withdrawal rate from 55 years is calculated at 0%.

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point Increase	One percentage point decrease
Effect on defined benefit obligation	(794,451,000)	(521,682,000)
Effect on the aggregate of the service cost	(41,991,000)	(26,155,000)
Effect on the aggregate of the interest cost	(74,671,000)	(51,681,000)

Amounts for the current and previous four years are as follows:

	2016 R	2015 R	2014 R	2013 R	2012 R
Defined benefit obligation	723,760,000	642,594,000	557,216,000	452,964,000	344,111,000
Experience adjustments on plan liabilities	1,039,000	6,659,000	(16,647,000)	(33,624,000)	(8,418,000)

27. FRESHCO liability

FRESHCO non-current liability	214,558,041	193,357,936
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Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
-----------------	------	------

27. FRESHCO liability (continued)

The entity has entered into an agreement with the Free State Social Housing Company (FRESHCO), a section 21 company, to implement and pursue a programme of Social Housing suitable for low to medium income households. The agreement commenced on 1 February 2010 and shall be terminated on 31 January 2033 unless both parties agree to extend the agreement period. The entity charges FRESHCO a nominal rental amount on a monthly basis which escalates by 5% annually. The rental amount is included in note 35 – Rental of facilities and equipment.

In terms of the agreement, FRESHCO will refurbish and maintain 351 existing municipal flats and build 592 additional flats in the suburb called Brandwag. This will remain the property of the entity. The entity will provide municipal infrastructure where these are not currently in existence. FRESHCO will utilise a portion of the rental income earned from renting out these properties to maintain and refurbish these flats.

The amount is recognised as revenue over the period of the agreement upon completion of the assets.

28. Land availability liability

Land availability non-current liability	186,119,361	31,575,456
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The entity has entered into an agreement with a developer to implement and pursue a programme of land development which will provide infrastructure and housing suitable for low to medium income households. The agreement commenced on 10 July 2014 and shall be terminated on 31 October 2032, unless both parties agree to extend the agreement period.

In terms of the agreement, the developer will develop 762 erven in Mangaung Extension 34, and 1580 erven in Mangaung Extension 35. This development will be known as the Hillside Development.

The land shall remain the property of the entity throughout the development. Upon completion of development, the entity shall retain 30% of the single residential erven within the development, and the infrastructure services.

The developer shall be entitled to sell the remaining developed and serviced erven to third parties, and will retain the proceeds of these sales as compensation for the developed assets retained by the entity.

The developer shall contribute to the bulk infrastructure installations within the development and shall provide a contribution for the land, upon sale to the third parties.

The revenue from these sales will be recognised upon transfer to the third party, and the related liability shall be derecognised.

The buildings retained by the entity shall be capitalised throughout the development process.

29. Revaluation reserve

Opening balance	893,325,183	905,357,488
Change during the year	(1,133,860)	-
Realisation of the revaluation reserve	(21,687,070)	(12,032,305)
	870,504,253	893,325,183

30. Self insurance reserve

Opening balance	5,000,000	5,000,000
Contributions received	180,770	264,447
Insurance claims processed	(180,770)	(264,447)
	5,000,000	5,000,000

31. COID reserve

Opening balance	10,628,620	8,934,694
Contributions received	3,393,230	3,132,625
Insurance claims processed	(1,509,970)	(1,438,699)
	12,511,880	10,628,620

Mangaung Metropolitan Municipality
Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
-----------------	------	------

32. Financial instruments disclosure

Categories of financial instruments

2016

Financial assets

	At fair value	At amortised cost	Total
Non-current receivables	33,107	245,241	278,348
Other receivables from non-exchange transactions	-	4,454,092	4,454,092
Other receivables from exchange transactions	-	34,325,339	34,325,339
Consumer receivables from non-exchange transactions	-	262,419,381	262,419,381
Consumer receivables from exchange transactions	-	450,909,821	450,909,821
Centlec receivables	-	1,166,741,998	1,166,741,998
Centlec intercompany loan	-	917,500,570	917,500,570
Cash and cash equivalents	-	61,834,729	61,834,729
	33,107	2,898,431,171	2,898,464,278

Financial liabilities

	At fair value	At amortised cost	Total
Borrowings	-	774,057,923	774,057,923
Payables from exchange transactions	-	980,276,707	980,276,707
Payables from non-exchange transactions	-	286,199,407	286,199,407
Finance lease obligation	-	63,267,454	63,267,454
Consumer deposits	33,728,408	-	33,728,408
	33,728,408	2,103,801,491	2,137,529,899

2015

Financial assets

	At fair value	At amortised cost	Total
Non-current receivables	32,498	625,432	657,930
Other receivables from non-exchange transactions	-	810,045	810,045
Other receivables from exchange transactions	-	28,931,660	28,931,660
Consumer receivables from exchange transactions	-	415,613,121	415,613,121
Consumer receivables from non-exchange transactions	-	303,378,328	303,378,328
Centlec receivables	-	1,174,042,040	1,174,042,040
Centlec intercompany loan	-	709,344,553	709,344,553
Cash and cash equivalents	-	224,706,208	224,706,208
	32,498	2,857,451,387	2,857,483,885

Financial liabilities

	At fair value	At amortised cost	Total
Borrowings	-	592,185,575	592,185,575
Payables from exchange transactions	-	508,559,937	508,559,937
Payables from non-exchange transactions	-	279,414,560	279,414,560
Finance lease obligation	-	108,626,102	108,626,102
Consumer deposits	30,872,092	-	30,872,092
	30,872,092	1,488,786,174	1,519,658,266

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
33. Revenue		
Service charges	927,514,290	919,529,923
Agency services	96,009,980	108,370,538
Interest received	399,137,524	473,938,676
Licences and permits	656,529	170,677
Rental of facilities and equipment	33,243,326	28,370,601
Other income from exchange transactions	70,690,432	51,780,281
Property rates	810,476,472	787,453,693
Fines	51,082,513	77,671,023
Government grants & subsidies	1,710,171,686	1,608,312,776
Other income from non-exchange transactions	24,033,873	2,437,048
	4,123,016,625	4,058,035,236

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	927,514,290	919,529,923
Agency services	96,009,980	108,370,538
Interest received - investment	399,137,524	473,938,676
Licences and permits	656,529	170,677
Rental of facilities and equipment	33,243,326	28,370,601
Other income from exchange transactions	70,690,432	51,780,281
	1,527,252,081	1,582,160,696

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue		
Property rates	810,476,472	787,453,693
Transfer revenue		
Government grants & subsidies	1,710,171,686	1,608,312,776
Fines	51,082,513	77,671,023
Other income from non-exchange transactions	24,033,873	2,437,048
	2,595,764,544	2,475,874,540

34. Service charges

Sale of water	622,627,224	645,647,884
Sewerage and sanitation charges	220,157,852	196,311,702
Refuse removal	84,729,214	77,570,337
	927,514,290	919,529,923

35. Rental of facilities and equipment

Premises		
Premises	1,190,983	1,118,800
Venue hire	1,369,482	1,375,705
	2,560,465	2,494,505
Facilities and equipment		
Rental of facilities	29,766,027	24,950,901
Rental of equipment	565,234	568,642
Other	351,600	356,553
	30,682,861	25,876,096
	33,243,326	28,370,601

36. Income from agency services

Centlec (SOC) Limited - Employee related costs	96,009,980	108,370,538
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Employees employed by the entity are seconded to Centlec (SOC) Limited, which is then charged according to the salaries and related costs of the employees.

Mangaung Metropolitan Municipality
Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
37. Other income from exchange transactions		
Advertising	1,271,056	1,163,857
Analysis of industrial effluent	2,580,717	1,461,591
Building plan fees	3,782,363	3,557,783
Clearance certificates	1,549,463	1,488,088
Commission - Fresh Produce Market	19,254,934	17,371,615
Connection and re-connection of water	4,618,762	4,073,545
Entrance fees	1,549,304	1,303,237
Grave plots	3,042,842	2,789,833
Insurance collection	2,459,828	2,559,497
Parking fees	1,154,287	1,352,821
Removal fees	1,108,306	545,495
Sale of erven	11,514,818	5,441,315
Sale of redundant material	9,611	3,507
Sale of tender documents	2,458,430	2,803,681
Training	2,041,404	2,058,238
Sundry income	12,294,307	3,806,178
	70,690,432	51,780,281
38. Interest received		
Interest revenue		
Interest charged on long term receivables	1,441,415	1,414,698
Interest charged on trade and other receivables	166,176,174	170,653,700
Centlec (SOC) Limited - Advances	9,487,067	9,888,796
Centlec (SOC) Limited - Shareholders loan	136,414,260	270,223,418
Centlec (SOC) Limited - Intercompany loan	71,915,495	-
Cash and cash equivalents	13,703,113	21,758,064
	399,137,524	473,938,676

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
-----------------	------	------

39. Property rates

Rates levied

Residential and business/commercial	648,867,605	544,924,819
Government	161,608,867	242,528,874
	810,476,472	787,453,693

Valuations

Residential	62,580,729,147	78,057,664,404
Business/Commercial	17,862,389,465	21,226,868,426
Government	8,716,257,170	10,116,646,160
Municipal	5,122,902,685	4,760,661,886
	94,282,278,467	114,161,840,876

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The first R 70,000 of the rateable value of residential property is exempted from taxes, including properties which are zoned for the purpose of town houses and flats, as well as smallholdings and farms used solely for residential and agricultural purposes.

In respect of qualifying senior citizens and disabled persons, the first R 250,000 of the rateable value of their residential properties is exempted from rates subject to the property value not exceeding R 2,000,000.

2016:

From 1 July 2015 the basic rates were adjusted as follows:

- R0.001533 on the value of rateable farm property
- R0.006131 on the value of rateable residential property
- R0.025250 on the value of rateable government property
- R0.025250 on the value of rateable business/commercial property

2015:

From 1 July 2014 the basic rates were adjusted as follows:

- R0.001446 on the value of rateable farm property
- R0.005784 on the value of rateable residential property
- R0.025005 on the value of rateable government property
- R0.025005 on the value of rateable business/commercial property

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
40. Government grants and subsidies		
Operating grants		
Equitable Share	596,652,000	603,580,999
Fuel Levy	260,928,000	256,663,000
City of Ghent - Youth Development Grant	300,965	1,453,935
Department of Water Affairs	-	3,057,723
Electricity Demand Side Management Grant	-	7,490,000
Financial Management Grant	1,300,000	1,500,000
Lotto Grant	-	4,912,281
Municipal Accreditation Project Funding - Housing Grant	2,315,295	-
Municipal Human Settlement Capacity Grant	6,421,315	-
National Electrification Programme Grant	30,000,000	30,200,000
National Sports and Recreation Grant	-	500,000
Neighbourhood Development Grant	21,535,723	5,000,000
Sports, Arts & Culture - Admin libraries	708,826	-
Sports, Arts & Culture - Sport	-	4,000,000
	920,162,124	918,357,938
Capital grants		
DWAF - Water Conservation Grant	-	942,277
Expanded Public Works Programme Incentive Grant	3,135,641	2,392,359
Integrated City Development Grant	10,060,766	5,596,000
Public Transport Infrastructure and Network Systems Grant	63,072,200	8,866,800
Sustainable Human Settlement Grant	1,002,243	24,560,384
Urban Settlement Development Grant	712,738,712	647,597,018
	790,009,562	689,954,838
	1,710,171,686	1,608,312,776
Equitable Share		
Current year receipts	596,652,000	603,581,000
Conditions met - transferred to revenue	(596,652,000)	(603,581,000)
	-	-

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Fuel Levy

Current-year receipts	260,928,000	256,663,000
Conditions met - transferred to revenue	(260,928,000)	(256,663,000)
	-	-

The fuel levy is allocated to the entity from the General Fuel Levy Revenue Fund.

City of Ghent - Youth Development Grant

Balance unspent at beginning of year	550,146	1,453,936
Current-year receipts	576,335	550,146
Conditions met - transferred to revenue	(300,965)	(1,453,936)
	825,516	550,146

Conditions still to be met - remain liabilities (see note 22).

The grant is given by the City of Ghent for youth development.

Mangaung Metropolitan Municipality
Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
-----------------	------	------

40. Government grants and subsidies (continued)

Department of Water Affairs

Current-year receipts	-	3,057,723
Conditions met - transferred to revenue	-	(3,057,723)
	-	-

The purpose of the grant is to subsidise and build capacity in water schemes on behalf of Department of Water and Environmental Affairs and transfer these schemes to local government.

Electricity Demand Side Management Grant

Current-year receipts	-	7,490,000
Conditions met - transferred to revenue	-	(7,490,000)
	-	-

The grant is allocated to municipalities to implement Energy Efficiency and Demand Side Management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.

Financial Management Grant

Current-year receipts	1,300,000	1,500,000
Conditions met - transferred to revenue	(1,300,000)	(1,500,000)
	-	-

The purpose of the grant is to promote and support reforms to financial management and the implementation of the MFMA.

Lotto Grant

Current-year receipts	-	4,912,281
Conditions met - transferred to revenue	-	(4,912,281)
	-	-

This grant is to be used for the activation of an Arts and Culture programme at the Civic Theatre.

Municipal Accreditation Project Funding - Housing Grant

Balance unspent at beginning of year	3,628,261	3,628,261
Conditions met - transferred to revenue	(2,315,295)	-
	1,312,966	3,628,261

Conditions still to be met - remain liabilities (see note 22).

The grant is allocated to the entity to finance and support the entity accreditation project as well as capacity development.

Municipal Human Settlement Capacity Grant

Current-year receipts	9,206,000	-
Conditions met - transferred to revenue	(6,421,315)	-
	2,784,685	-

Conditions still to be met - remain liabilities (see note 22).

To build capacity in municipalities to deliver and subsidise the operational costs of administering human settlement programmes.

Mangaung Metropolitan Municipality
Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
-----------------	------	------

40. Government grants and subsidies (continued)

National Electrification Programme Grant

Current-year receipts	30,000,000	30,200,000
Conditions met - transferred to revenue	(30,000,000)	(30,200,000)
	-	-

The grant is used to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and the rehabilitation of electrification infrastructure. The grant was transferred to Centlec (SOC) Limited.

National Sports and Recreation Grant

Current-year receipts	-	500,000
Conditions met - transferred to revenue	-	(500,000)
	-	-

The grant is used to assist host cities with the operational responsibilities associated with the hosting of sports events.

Neighbourhood Development Grant

Current-year receipts	53,776,000	5,000,000
Conditions met - transferred to revenue	(21,535,723)	(5,000,000)
	32,240,277	-

Conditions still to be met - remain liabilities (see note 22).

This grant is to be used for the development of urban network plans, to improve the quality of life and access of residents in under-served neighbourhoods.

Sports, Arts & Culture - Admin libraries

Balance unspent at beginning of year	2,000,000	-
Current-year receipts	2,000,000	2,000,000
Conditions met - transferred to revenue	(708,826)	-
	3,291,174	2,000,000

Conditions still to be met - remain liabilities (see note 22).

The purpose of the grant is to fund the administration of public libraries within the Mangaung Metropolitan Municipality area.

Sports, Arts & Culture - Sport

Current-year receipts	-	4,000,000
Conditions met - transferred to revenue	-	(4,000,000)
	-	-

The purpose of the grant was to assist the City in hosting the Mangaung International Beach Volleyball Tournament in December 2014.

DWAF - Water Conservation Grant

Current-year receipts	-	942,277
Conditions met - transferred to revenue	-	(942,277)
	-	-

The purpose of the grant is to develop regional bulk infrastructure for water supply to supplement water treatment work and resource development.

Mangaung Metropolitan Municipality
Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
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40. Government grants and subsidies (continued)

Expanded Public Works Programme Incentive grant

Balance unspent at beginning of year	38,641	138,463
Current-year receipts	3,097,000	2,431,000
Conditions met - transferred to revenue	(3,135,641)	(2,392,359)
Surrendered to National Treasury	-	(138,463)
	-	38,641

Conditions still to be met - remain liabilities (see note 22).

The purpose of the grant is to expand work creation efforts through the use of labour incentives delivery methods in identified focus areas, in compliance with Expanded Public Works Programme (EPWP) guidelines.

Integrated city development grant

Current-year receipts	10,157,000	5,596,000
Conditions met - transferred to revenue	(10,060,766)	(5,596,000)
	96,234	-

Conditions still to be met - remain liabilities (see note 22).

To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focussing their use of available infrastructure investment and regulatory instruments.

Public Transport Infrastructure and Network Systems Grant

Balance unspent at beginning of year	21,133,200	597,471
Current-year receipts	48,128,000	30,000,000
Conditions met - transferred to revenue	(63,072,200)	(8,866,800)
Surrendered to National Treasury	(6,189,000)	(597,471)
	-	21,133,200

Conditions still to be met - remain liabilities (see note 22).

The grant is allocated to the entity to improve public transport infrastructure and systems, in accordance with agreed project plans.

Sustainable Human Settlement Grant

Balance unspent at beginning of year	2,598,026	27,158,410
Other	(1,002,244)	(24,560,384)
	1,595,782	2,598,026

Conditions still to be met - remain liabilities (see note 22).

The grant is used to supplement the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.

Urban Settlement Development Grant

Balance unspent at beginning of year	77,535,555	70,726,573
Current-year receipts	693,847,000	654,406,000
Conditions met - transferred to revenue	(712,738,712)	(647,597,018)
	58,643,843	77,535,555

Conditions still to be met - remain liabilities (see note 22).

Supplements the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
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40. Government grants and subsidies (continued)

Department Telecom and Postal Services

Current-year receipts	5,292,842	-
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Conditions still to be met - remain liabilities (see note 22).

To develop information and communication technology (ICT) policies and legislation that create favourable conditions for accelerated and shared sustainable economic growth that positively impacts on the wellbeing of all South Africans.

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 3 of 2016), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

41. Other income from non-exchange transactions

Penalties	-	1,562,435
Unclaimed deposits and stale cheques	3,563,646	787,077
Public contributions and asset gains	20,470,227	87,536
	24,033,873	2,437,048

42. Employee related costs

Basic	794,248,315	706,921,218
Bonus accrual - 13th cheque	1,059,822	2,248,717
Contributions to medical aid	68,838,819	58,027,366
Contributions to pension funds	121,351,962	110,333,672
Contributions to UIF	6,467,775	5,959,055
Defined benefit plan - current service costs	36,257,000	30,395,000
Defined benefit plan - past service costs	-	24,045,000
Housing benefits and allowances	11,086,286	2,845,543
Overtime payments	141,363,616	122,052,837
Staff leave pay accrual	23,049,835	26,500,353
Travel, motor car, accommodation, subsistence and other allowances	81,720,018	75,939,248
	1,285,443,448	1,165,268,009

Remuneration of Accounting Officer

Annual Remuneration	1,840,731	2,088,238
Car and Other Allowances	178,515	338,253
Contributions to UIF, Medical and Pension Funds	51,826	68,798
	2,071,072	2,495,289

The accounting officer was placed on suspension with full pay and benefits from 15 December 2015 to 29 February 2016. The accounting officer resigned as of 29 February 2016.

Remuneration of Acting Accounting Officer

Annual Remuneration	945,537	-
Car and Other Allowances	107,250	-
Contributions to UIF, Medical and Pension Funds	89,570	-
	1,142,357	-

This position had an official acting in it from 15 December 2015.

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
42. Employee related costs (continued)		
Remuneration of the Chief Financial Officer		
Annual Remuneration	1,576,052	1,430,020
Car and Other Allowances	481,620	525,655
Contributions to UIF, Medical and Pension Funds	60,413	60,492
	2,118,085	2,016,167
Remuneration of Executive Director - Corporate Services		
Annual Remuneration	1,453,561	1,022,951
Car and Other Allowances	474,365	321,531
Contributions to UIF, Medical and Pension Funds	242,374	62,738
	2,170,300	1,407,220
The position was filled from September 2014.		
Remuneration of Acting Executive Director - Corporate Services		
Annual Remuneration	-	109,727
Car and Other Allowances	-	28,746
Contributions to UIF, Medical and Pension Funds	-	28,840
	-	167,313
The position had an official acting for the period July and August 2014.		
Remuneration of Executive Director - Social Services		
Annual Remuneration	1,486,675	1,357,537
Car and Other Allowances	252,925	304,383
Contributions to UIF, Medical and Pension Funds	307,380	289,323
	2,046,980	1,951,243
Remuneration of Acting Executive Director - Planning		
Annual Remuneration	838,808	-
Car and Other Allowances	115,678	-
Contributions to UIF, Medical and Pension Funds	140,610	-
	1,095,096	-
The position had an official acting from 27 October 2015.		
Remuneration of Executive Director - Economic Development & Planning		
Annual Remuneration	-	1,127,900
Car and Other Allowances	-	216,000
Contributions to UIF, Medical and Pension Funds	-	14,980
	-	1,358,880
The position was filled from July 2014 to April 2015.		
Remuneration of Executive Director - Human Settlements and Housing		
Annual Remuneration	1,511,705	1,392,049
Car and Other Allowances	199,200	218,510
Contributions to UIF, Medical and Pension Funds	386,090	361,837
	2,096,995	1,972,396

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
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42. Employee related costs (continued)

Remuneration of Executive Director - Engineering Services

Annual Remuneration	1,557,597	1,424,128
Car and Other Allowances	439,200	494,577
Contributions to UIF, Medical and Pension Funds	59,619	38,765
	2,056,416	1,957,470

Remuneration of Acting Executive Director - Waste and Fleet Management

Annual Remuneration	131,015	-
Car and Other Allowances	6,000	-
Contributions to UIF, Medical and Pension Funds	1,516	-
	138,531	-

The position had an official acting from 1 June 2016.

Remuneration of Executive Director - Strategic Projects and Service Delivery (Acting Executive Director: Planning)

Annual Remuneration	1,759,640	1,556,297
Car and Other Allowances	199,200	334,805
Contributions to UIF, Medical and Pension Funds	64,720	61,962
	2,023,560	1,953,064

This position had an acting official from 1 May 2015.

Remuneration of Acting Executive Director - Strategic Projects and Service Delivery

Annual Remuneration	283,059	-
Car and Other Allowances	91,848	-
Contributions to UIF, Medical and Pension Funds	54,236	-
	429,143	-

This position had an acting official from 1 July 2015 to 31 October 2015.

43. Remuneration of councillors

Councillors allowance	34,360,568	32,313,866
Councillors pension contributions	3,430,259	3,187,129
Medical aid contributions	499,796	478,408
Travel allowance	11,556,077	11,038,175
Cell phone allowance	2,432,467	2,434,213
Housing allowance	142,492	142,492
	52,421,659	49,594,283

In-kind benefits:

The Executive Mayor, Deputy Executive Mayor, Speaker, Chief Whip and Mayoral Committee Members are full-time employees of the entity and each is provided with an office and secretarial support at the cost of the Council.

The Mayor and the Deputy Mayor each have the use of Council owned vehicles for official duties.

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Executive Mayor

Councillors allowance	798,937	757,114
Councillors pension contributions	115,590	108,836
Medical aid contributions	17,280	17,280
Travel allowance	310,602	294,410
Cell phone allowance	45,420	45,420
	1,287,829	1,223,060

Deputy Executive Mayor

Councillors allowance	589,066	609,195
Councillors pension contributions	84,927	86,837
Medical aid contributions	15,840	17,280
Travel allowance	229,944	237,771
Cell phone allowance	41,635	45,420
	961,412	996,503

The late deputy executive mayor received her salary until 31 May 2016.

Speaker

Councillors allowance	947,867	858,172
Medical aid contributions	17,280	17,280
Travel allowance	-	37,385
Cell phone allowance	45,420	45,420
Housing allowance	38,246	38,246
	1,048,813	996,503

Chief Whip

Councillors allowance	616,285	585,207
Councillors pension contributions	89,225	83,523
Travel allowance	235,170	222,910
Cell phone allowance	24,468	24,468
	965,148	916,108

Mayoral committee members

Councillors allowance	5,114,481	4,891,346
Councillors pension contributions	738,838	643,816
Medical aid contributions	133,189	119,520
Travel allowance	2,018,777	1,940,999
Cell phone allowance	210,017	214,095
Housing allowance	80,246	80,246
	8,295,548	7,890,022

Councillors

Councillors allowance	26,293,932	24,612,831
Councillors pension contributions	2,401,680	2,264,118
Medical aid contributions	316,207	307,048
Travel allowance	8,761,583	8,304,700
Cell phone allowance	2,065,507	2,059,390
Housing allowance	24,000	24,000
	39,862,909	37,572,087

Notes to the Annual Financial Statements

44. Depreciation and amortisation

Property, plant and equipment	573,460,743	569,035,776
Intangible assets	979,269	573,311
	574,440,012	569,609,087

45. Impairment of assets

Impairments

Property, plant and equipment	674,005	5,989,374
The recoverable amount of the asset was assessed at the end of the 2014/15 financial year and it was found to be less than the carrying amount of the asset and an impairment loss was raised.		

46. Finance costs

Defined benefit obligation	60,374,000	52,964,000
Finance leases	8,938,278	12,143,167
Intercompany loan - Centlec Payables	-	75,534,349
Non-current borrowings	71,172,617	31,668,068
	140,484,895	172,309,584

47. Debt impairment

Consumer and other receivables impaired and written off	465,223,523	600,426,422
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48. Bulk purchases

Water	419,812,317	430,764,023
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49. Contracted services

Audit fees	16,197,262	15,403,891
Consultant fees	35,443,111	32,132,125
Debt collection fees	38,759,899	42,243,986
Integrated call centre	9,920,692	9,620,061
Investigations	1,493,929	-
IPTN	90,732,485	-
Meter reading services	36,735,714	19,148,506
Meter replacement	12,846,872	8,318,616
Refuse removal	46,441,425	36,982,826
Security services	49,033,532	34,633,819
Other contractors	92,940,648	68,134,395
	430,545,569	266,618,225

50. Grants and subsidies paid

Bursaries paid to employees	1,822,458	1,196,486
Central agricultural society	11,288	10,751
Free electricity services	11,218,445	13,966,209
Miscellaneous grants	271,944	447,762
National electrification programme grant	30,000,000	30,200,000
SPCA	456,678	434,931
	43,780,813	46,256,139

Notes to the Annual Financial Statements

50. Grants and subsidies paid (continued)

Bursaries paid to employees

Bursaries are paid to employees in accordance with the approved study scheme.

Central Agricultural Society

The payments to the society is for the maintenance of Council's property at the show grounds which are used in accordance with an agreement with the society.

Free electricity services

The free electricity provided by Centlec (SOC) Limited and Eskom is recoverable from the equitable share grant.

Miscellaneous grants

These grants are allocated mainly for ad hoc grants and the free use of Council facilities, as approved during the year.

National Electrification Programme Grant

The grant is used to implement the programme by providing capital subsidies to licensed distributors to address the programme in order to mitigate the risk of load shedding and supply interruptions. The grant was transferred to Centlec (SOC) Limited.

SPCA - Society for the Prevention of Cruelty to Animals

The subsidy is paid annually to the society to assist them in performing their tasks.

Mangaung Metropolitan Municipality
Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

51. General expenses

Advertising	4,993,490	4,740,083
Animal Costs	3,010,526	3,299,684
Bank charges	6,518,440	6,490,231
Chemicals	5,249,696	4,359,287
Cleaning	577,443	1,658,399
Community development projects	2,216,111	1,900,885
Conferences and seminars	9,247,585	9,931,364
Consumables	13,022,699	10,259,706
Discount allowed	1,808,835	2,583,966
Electricity	43,580,499	46,046,612
Fuel and oil	26,687,786	29,691,684
Hire	4,780,857	4,321,847
Indigent burials	1,680,163	1,894,383
Insurance	12,396,241	9,507,738
Legal expenses	24,930,209	30,394,922
Marketing	5,838,677	20,682,256
Motor vehicle expenses	15,771,888	14,274,974
Operating lease expenditure	250,649	(462,575)
Other expenses	1,680,428	2,940,022
Postage and courier	6,534,410	5,316,157
Printing and stationery	10,188,718	9,195,593
Penalties and interest	451,134	89,398
Reconnection test and removal of meters	3,157,378	7,166,977
Refreshments	950,217	1,189,052
Rehabilitation of landfill and quarry sites	6,183,061	22,699,082
Royalties and license fees	8,683,690	10,190,245
Sewerage and waste disposal	-	641,082
Skills development levy	10,951,245	9,793,329
Software expenses	906,601	407,744
Special projects and public participation	32,197,351	23,689,867
Staff welfare	214,796	821,978
Subscriptions and membership fees	11,965,686	11,121,393
Telephone and fax	18,034,452	11,747,640
Title deed search fees	8,071,311	14,651,077
Tools, plant & equipment	509,555	2,130,338
Tourism development	485,547	2,805,933
Training	10,294,061	13,628,654
Travel - local	263,089	278,822
Uniforms	7,086,185	5,135,466
Vacuum Services	61,754	102,066
Water	278,424	(545,177)
Water research	3,192,602	3,070,234
Sundry expenses	30,569,495	27,938,385
	355,472,984	387,780,803

52. Fair value adjustments

Investment property (Fair value model)	(138,813,363)	-
Other financial assets		
• Other financial assets (Designated as at FV through P&L)	(304,778)	9,683
	(139,118,141)	9,683

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

53. Cash generated from operations

(Deficit) surplus	(246,541,918)	87,028,901
Adjustments for:		
Depreciation and amortisation	574,440,012	569,609,087
Gain on sale of assets and liabilities	30,849,062	9,092,423
Fair value adjustments	139,118,141	(9,683)
Finance costs - Finance leases	8,938,278	12,143,167
Finance costs - Borrowings	71,172,617	31,668,068
Finance costs - Centlec	(145,901,327)	(280,112,214)
Impairment deficit	674,005	5,989,374
Movements in retirement benefit assets and liabilities	81,077,000	85,378,000
Movements in provisions	31,926,681	21,800,347
Unwinding of FRESCHO liability	(10,394,123)	(7,524,321)
Changes in working capital:		
Inventories	(55,566,777)	(35,237,249)
Other receivables from exchange transactions	(5,393,679)	(1,716,162)
Other receivables from non-exchange transactions	(3,644,047)	2,705,606
Consumer receivables from exchange transactions	(35,296,700)	(70,514,251)
Consumer receivables from non-exchange transactions	40,958,947	77,517,947
Centlec Intercompany loan	(54,954,647)	227,623,892
Payables from exchange transactions	487,074,719	(55,882,632)
VAT	104,729,217	(105,994,241)
Payables from non-exchange transactions	6,784,847	132,970,654
Unspent conditional grants and receipts	(1,400,510)	3,780,715
	1,018,649,798	710,317,428

Notes to the Annual Financial Statements

54. Commitments

Commitments in respect of capital expenditure

Approved and contracted for

• Infrastructure assets	476,941,596	179,714,548
• Other asset classes	62,320,131	47,851,598
	539,261,727	227,566,146

The capital expenditure will be financed from

Unspent conditional grants and receipts	106,083,319	107,483,829
Borrowings	433,178,408	120,082,317
	539,261,727	227,566,146

During the current year, errors relating to the commitment register were corrected. The effect of the change is as follows:
Commitment increased by R10,859,467.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	378,734	887,442
- in second to fifth year inclusive	723,345	1,221,627
	1,102,079	2,109,069

Operating lease payments represent rentals payable by the entity for certain of its office properties. Leases are negotiated for an average term of three to five years and rentals are fixed for an average of three years. The lease agreements have escalations of 8% to 10% per annum. There are no renewal and/or purchase options. No contingent rent is payable.

Operating leases - as lessor (income)

Minimum lease payments due

- within one year	5,902,580	6,132,782
- in second to fifth year inclusive	21,399,494	27,302,075
- later than five years	32,981,912	32,981,912
	60,283,986	66,416,769

The entity leases various fixed properties under non-cancellable operating leases to various institutions. The lease agreements have escalations between 8 and 12% per year with the agreements varying between 2 to 50 years. Rental income, for these agreements, to the value of R 19,371,904 (2015: R 24,950,902) has been recognised in the Statement of Financial Performance during the year. Renewal options have been taken into account during the calculation of the deferred lease. There are no purchase options. There was no contingent rent during the year.

Comparative information has been restated due to reconstruction of the lease register and the accounting for the contract extensions which were not previously accounted for. The restatement is as follows:

Minimum lease payments due

- within one year - increased by R499,509
- in second to fifth year inclusive - increased by R8,005,070
- later than five years - increased by R2,844,506

Notes to the Annual Financial Statements

55. Contingencies

Housing guarantees

The entity has provided housing guarantees for bonds of municipal officials. The certainty and the timing of the outflow of these guarantees are uncertain. The amounts disclosed below are the possible outflow amounts.

Housing guarantees	3,611,511	3,686,859
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Contingent liabilities

The entity is involved in the following pending claims. All the claims are being contested based on legal advice. The certainty and the timing of the outflow of these liabilities are uncertain. The amounts disclosed below are possible outflow amounts:

Probable legal costs to be incurred for various matters handled by various attorneys	6,881,720	27,578,703
Labour cases and employee related matters	1,067,239	7,528,441
Claims by individuals due to property damages in various incidents	175,000	2,024,930
Claims by individuals due to various incidents	50,933,723	5,026,744
Claims from suppliers due to contractual disputes	-	43,133,786
Centlec (SOC) Limited - consumption of public lighting	81,588,277	81,588,277
Centlec (SOC) Limited - consumption of Mangaung properties	58,226,919	61,339,478
Centlec (SOC) Limited - repairs and maintenance of public lighting	53,762,028	53,762,028
Centlec (SOC) Limited - 2015/16 consumption on streetlights*	53,917,875	-
Centlec (SOC) Limited - contingent interest**	25,334,011	-
	331,886,792	281,982,387

The entity has a claim against it for the consumption of all public lighting (streetlights), as well as the electricity consumption of the properties owned by the entity in the Mangaung Metropolitan area from Centlec (SOC) Limited.

Furthermore, there is a claim from Centlec (SOC) Limited for the repairs and maintenance to public lighting.

* As at 1 July 2015 the streetlights were transferred from the entity to Centlec (SOC) Limited. The council resolution stated that the ownership, management and control of streetlight assets should be transferred to Centlec, but the resolution did not specify who should bear the cost of the streetlight electricity consumption. The amount related to the streetlight consumption was calculated to be R47,296,417 excluding VAT.

** Dependent on the outcome of these contingencies, interest may be levied at 9.25% on the liability.

Notes to the Annual Financial Statements

56. Related parties

Relationships

Loan to controlled entity

Refer to note 16

A company, Centlec (SOC) Limited, of which the entity is the sole shareholder, was formed to take over all activities in respect of the supply of electricity for their own account.

Related party balances

Loan accounts - Owning (to) by related parties

Centlec (SOC) Limited - Shareholders loan	1,071,479,158	1,071,479,158
Centlec (SOC) Limited - Advances	95,262,840	102,562,882
Centlec (SOC) Limited - Intercompany loan balance	917,500,570	709,344,553

Amounts included in Trade receivable / (Trade Payable) regarding related parties

Centlec (SOC) Limited - Other payables - Grants	(64,830,755)	(26,518,917)
Centlec (SOC) Limited - Trade payables	(76,161,390)	(76,161,390)
Centlec (SOC) Limited - Other receivables from exchange transactions	4,000,000	4,000,000

Investment in related party

Centlec (SOC) Limited	100	100
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Related party transactions

Interest paid to (received from) related parties

Centlec (SOC) Limited - Advances	(9,487,067)	(9,888,796)
Centlec (SOC) Limited - Shareholders loan	(136,414,260)	(270,223,418)
Centlec (SOC) Limited - Intercompany loan	(71,915,495)	75,534,349
Centlec (SOC) Limited - Electricity accounts outstanding	2,470	1,773,190

Transfers to related parties

Transfer of assets to Centlec (SOC) Limited	3,643,446	-
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Expenses paid to/(Income received from) related parties

Centlec (SOC) Limited - Income from agency services	(96,009,980)	(108,370,538)
Centlec (SOC) Limited - Electricity charges - streetlight consumption	-	11,313,237
Centlec (SOC) Limited - Electricity charges - municipal consumption	41,499,687	32,728,988
Centlec (SOC) Limited - Repairs and maintenance on streetlights	-	26,918,282
Centlec (SOC) Limited - Grants paid	38,745,723	35,733,446

(Receipts)/Payments on behalf of Centlec (SOC) Limited

Bank receipts	(8,208)	(188,114)
Telephone expenses	770,420	181,423

Related party contingencies

Centlec (SOC) Limited - Contingent liabilities (refer to Note 55)	(272,829,150)	(196,689,783)
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Key management information

No transactions took place between the entity and key management personnel or their close family members during the reporting period.

Details relating to remuneration are disclosed in note 42 for key management and note 43 for councillors.

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

57. Prior period errors

1. Prior period error - VAT Apportionment

During the current year the VAT was paid for the apportionment of the 2015 VAT.

Statement of financial position		
Decrease in VAT Receivable	-	(382,750)
Statement of financial performance		
Increase in General expenditure	-	382,750
	-	-

2. Prior period error - Input VAT denied

During the current year SARS denied input VAT relating to the prior year.

Statement of financial position		
Decrease in VAT Receivable	-	(333,367)
Statement of financial performance		
Increase in General expenses	-	333,367
	-	-

3. Prior period error - Input VAT

VAT accrued for prior period creditors was identified where it should have been reversed, but were not. The effect of the restatement is as follows:

Statement of financial position		
Decrease in VAT Receivable	-	(1,238,586)
Increase in Accumulated Surplus	-	1,238,586
	-	-

4. Prior period error - Training costs

The classification of training costs was incorrect during the prior year.

Statement of financial performance		
Increase in sundry income	-	(32,071)
Increase in general expenditure	-	32,071
	-	-

5. Prior period error - Revenue Foregone

Due to clarification from the Standards of GRAP regarding classification between Revenue Foregone and Grants Given, the following reclassification needed to be performed:

Statement of financial performance		
Decrease in Property Rates - Residential and business/commercial	-	12,326,074
Decrease in Service charges - Sewerage and sanitation charges	-	86,611,357
Decrease in Service charges - Refuse removal	-	59,852,563
Decrease in Service charges - Sale of water	-	13,619,408
Decrease in Grants and subsidies paid - Subsidised municipal services	-	(172,409,402)
	-	-

Notes to the Annual Financial Statements

Figures in Rand

57. Prior period errors (continued)

6. Prior period error - Conditional Grants

The prior period error arose in terms of grant expenditure not being realised to revenue when the conditions were met in the prior years

Statement of financial position

Increase in Accumulated Surplus	-	(18,786,182)
Decrease in Unspent Conditional Grants	-	18,786,182
	-	-

7. Prior period error - Centlec Apprentices

During the current year it was noted that Income from Agency services were incorrectly raised on employees which were included in an apprentice scheme and therefore should not have been charged.

Statement of financial position

Decrease in Centlec Intercompany loan	-	(2,714,375)
Decrease in accumulated surplus	-	1,280,785
Decrease in VAT receivable	-	333,344

Statement of financial performance

Decrease in income from Agency services	-	1,100,246
	-	-

8. Prior period error - VAT on Impairment

During the year, it was confirmed that VAT on the impairment of debtors was previously treated incorrectly. As a result, an adjustment was made to the balance on the VAT accounts.

Statement of financial position

Decrease in VAT payable	-	140,284,249
Increase in accumulated surplus	-	(111,103,370)

Statement of financial performance

Decrease in debt impairment	-	(29,180,879)
	-	-

9. Prior period error - Rates appeals

During the year it was noted that the adjustment for the valuation appeals was not effected on the system during the same period as the appeal board reached its decision.

Statement of financial position

Decrease in Consumer receivables from non-exchange transactions	-	(73,876,955)
Decrease in Consumer receivables from exchange transactions	-	(10,185,144)
Increase in VAT receivable	-	9,999
Decrease in accumulated surplus	-	3,089,819

Statement of financial performance

Decrease in property rates	-	71,432,641
Decrease in service charges - sewerage	-	9,529,640
	-	-

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

57. Prior period errors (continued)

10. Prior period error - Deferred lease income

The operating leases income register was revised to include only contracts with end date. Contracts which were effective during the 2014/15 financial year were identified during the current year, these had to be taken into account for the straightlining in the previous year.

Statement of financial position

Decrease in trade payables - deferred lease income	-	499,509
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Statement of financial performance

Decrease in general expenditure - hire	-	(499,509)
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-	-
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11. Prior period error - Classification of unclaimed deposits

Revenue from unclaimed deposits was identified to have been incorrectly classified as revenue from exchange transactions. This classification was corrected during the current year.

Statement of financial performance

Increase in other income from non-exchange transactions	-	(787,077)
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Decrease in other income from exchange transactions	-	787,077
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-	-
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12. Prior period error - Adjust opening balances of PPE to align to the asset registers

Adjustments were made to align the land and buildings asset register to the accounting records.

Statement of financial position

Decrease in Cost of PPE - Buildings	-	(800)
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Decrease in Cost of PPE - Land	-	(1)
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Decrease in Accumulated depreciation of PPE - Buildings	-	332
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Decrease in Accumulated Surplus	-	469
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-	-
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13. Prior period error - Classification of properties corrected

During the current year properties were identified that were incorrectly classified as investment property and inventory and were therefore reclassified to land and buildings.

The effect of the restatement is as follows:

Statement of financial position

Increase in Cost of PPE - Buildings	-	439,867
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Increase of Cost of PPE - Land	-	32,264,633
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Decrease in Cost of Investment Property	-	(32,464,500)
---	---	--------------

Decrease in Cost of Inventory	-	(38,892)
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Increase in Accumulated Depreciation - Buildings	-	(25,875)
--	---	----------

Increase in Revaluation Reserve	-	(8,504,058)
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Decrease in accumulated surplus	-	8,315,887
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Statement of financial performance

Increase in depreciation	-	12,938
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-	-
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Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

57. Prior period errors (continued)

14. Prior period error - Adjustment of opening balances - Community

Adjustments were made to align the community asset register to the accounting records.

Statement of financial position

Decrease in Cost of PPE - Community Assets	-	(322,691)
Decrease in Cost of PPE - WIP Community Assets	-	(54,722)
Decrease in Accumulated depreciation - Community assets	-	1,965,216
Increase in Accumulated Surplus	-	419,543

Statement of financial performance

Decrease in depreciation	-	(1,965,216)
Decrease in Repairs and maintenance	-	(42,130)
	-	-

15. Prior period error - Community and Infrastructure assets depreciation

During the current year an error in the calculation of depreciation for community and infrastructure assets was identified and rectified. The effect of the restatement is as follows:

Statement of financial position

Increase in Accumulated depreciation - Infrastructure assets	-	(17,077,154)
Increase in Accumulated depreciation - Community assets	-	(8,866,881)
Decrease in Accumulated surplus	-	11,167,324

Statement of financial performance

Increase in Depreciation - Infrastructure assets	-	13,338,753
Increase in Depreciation - Community assets	-	1,437,958
	-	-

16. Prior period error - Capitalisation of WIP in prior year - Bloemfontein park

During the current year it was identified that expenditure included in Work-In-Progress (WIP) should have been capitalised in prior periods. The effect of the restatement is as follows:

Statement of financial position

Increase in Cost of PPE - Community assets - Parks	-	4,225,813
Increase in Cost of PPE - Community assets - Sport stadiums	-	186,584
Increase in Accumulated depreciation - Parks	-	(281,526)
Increase in Accumulated depreciation - Stadium	-	(8,725)
Decrease in Cost of PPE - WIP Community	-	(4,412,397)
Decrease in Accumulated surplus	-	216,961

Statement of financial performance

Increase in Depreciation	-	73,290
	-	-

17. Prior period error - Re-classification of Investment property to Inventory

During the year it was noted that properties that should have been classified as inventory were incorrectly classified as investment property. The effect of the restatement is as follows:

Statement of financial position

Decrease in Cost of Investment Property	-	(790,000)
Increase in Inventory	-	99,783
Decrease in Accumulated Surplus	-	690,217
	-	-

Notes to the Annual Financial Statements

Figures in Rand

57. Prior period errors (continued)

18. Prior period error - Derecognition of unknown property

During the year, properties were identified which the deeds office has no record of ownership. These properties have therefore been removed from the asset register. The effect of the restatement is as follows:

Statement of financial position

Decrease in Investment property	-	(570,000)
Decrease in Accumulated surplus	-	570,000
	-	-

19. Prior period error - Heritage assets Hertzog Park capitalisation

Hertzog Park was erroneously excluded from the Heritage Asset register in prior years. The effect of the restatement is as follows:

Statement of financial position

Increase in Cost of Heritage assets	-	596,582
Increase in Accumulated surplus	-	(596,582)
	-	-

20. Prior period error - Heritage assets - repairs to City Hall incorrectly capitalised to 1314

Repairs and maintenance expenditure to City Hall incurred during prior years, were incorrectly carried as WIP within heritage assets, and not expensed as it should have been. The effect of the restatement is as follows:

Statement of financial position

Decrease in cost of Heritage assets	-	(684,236)
Increase in Accumulated surplus	-	684,236
	-	-

21. Prior period error - Infrastructure adjustments to opening balance

Adjustments were made to align the infrastructure asset register to the accounting records. The effect of the restatement is as follows:

Statement of financial position

Decrease in Cost of PPE - Infrastructure	-	(19,999)
Decrease in Cost of PPE - WIP Infrastructure	-	(79,183)
Decrease in Accumulated depreciation - Infrastructure	-	(29,793)
Decrease in Accumulated surplus	-	99,182
Statement of financial performance		
Increase in Depreciation	-	29,793
	-	-

22. Prior period error - Correction of amount derecognised during 2014: maintenance related expenditure

Capital expenditure incurred in prior years was erroneously expensed and not recorded as part of the WIP for infrastructure assets.

Statement of financial position

Increase in Cost of PPE - WIP Infrastructure assets	-	5,897,929
Increase in Accumulated surplus	-	(5,897,929)
	-	-

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

57. Prior period errors (continued)

23. Prior period error - Amounts capitalise in excess of actual spend

During the current year an adjustment was made to balances that were capitalised in excess of the actual spending due to the re-capitalisation of projects. The effect of the restatement is as follows:

Statement of financial position

Increase in Cost of PPE - WIP Infrastructure	-	1,460,703
Increase in accumulated surplus	-	(1,460,703)
	-	-

24. Prior period error - Finance leases

During the year it was identified that a Mercedes Benz, fleet number 1021, was not accounted for in the 2014/2015 period.

Statement of financial position

Increase in property, plant and equipment	-	2,207,217
Increase in finance lease liability	-	(2,207,217)
Increase in accumulated depreciation	-	(432,977)

Statement of financial performance

Increase in depreciation	-	432,977
	-	-

25. Prior period error - Impairment incorrectly raised in prior year

The impairment that was previously raised on assets in the prior year was found to be incorrect.

Statement of financial position

Decrease in Accumulated depreciation of PPE - Other assets	-	1,827,805
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Statement of financial performance

Decrease in Impairment loss	-	(1,827,805)
	-	-

26. Prior period error - Traffic fines

The traffic fines receivable listing and the accounting records were aligned.

Statement of financial position

Decrease in Other receivables from non-exchange transactions	-	(1,527,198)
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Statement of financial performance

Decrease in fines revenue	-	1,527,198
	-	-

27. Prior period error - Community assets

Through inspection of the WIP register, a project that should have been capitalised was identified.

Statement of financial position

Increase in cost of PPE - WIP Buildings	-	6,183,065
Decrease in cost of PPE - WIP Community Assets	-	(6,657,865)
Decrease in Accumulated Surplus	-	221,306

Statement of financial performance

Increase in contracted services	-	253,494
	-	-

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

57. Prior period errors (continued)

28. Prior period error - Billing of industrial effluent

During the year, it was identified that a customer was billed at the incorrect rate for industrial effluent. This rate was adjusted during the year and the balance corrected.

Statement of financial performance

Decrease in other receivables from exchange transactions - sundry debtors	-	(2,621,121)
Decrease in accumulated surplus	-	2,049,205
Statement of financial performance		
Decrease in sundry income	-	571,916
	-	-

29. Prior period error - Operational expenditure included in WIP

During the current year it was identified that operational expenditure were incorrectly included in WIP. The effect of the restatement is as follows:

Statement of financial position

Decrease in cost of PPE - Infrastructure WIP	-	(54,904,524)
Decrease in Accumulated Surplus	-	40,608,157
Statement of financial performance		
Increase in Repairs and maintenance expenditure	-	14,296,367
	-	-

30. Prior period error - Infrastructure private developments

During the current year it was identified that assets acquired through private developments were not included in the asset registers.

Statement of financial position

Increase in Cost of PPE - Infrastructure	-	23,924,876
Increase in Accumulated depreciation of PPE - Infrastructure	-	(13,315,471)
Increase in Accumulated surplus	-	(12,316,692)
Statement of financial performance		
Increase in Depreciation	-	1,707,287
	-	-

31. Prior period error - Movables

During the current year it was determined that movable assets were not included in the registers, or were included at the incorrect amounts.

Statement of financial position

Increase in Cost of PPE - Other PPE	-	2,288,019
Increase in Accumulated depreciation of PPE - Other PPE	-	(421,648)
Increase in Accumulated Surplus	-	(860,721)
Statement of financial performance		
Decrease in Depreciation	-	(6,709)
Decrease in Repairs and maintenance	-	(998,941)
	-	-

32. Prior period error - Assets held for sale

Properties disclosed as assets held for sale were incorrectly classified under PPE. The properties have been reclassified on Inventory. The effect of the restatement is as follows:

Statement of financial position

Decrease on Cost of PPE - Assets held for sale	-	(14,650,000)
Increase in Inventory	-	14,650,000
	-	-

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

57. Prior period errors (continued)

33. Prior period error - Unknown land

During the current year, two properties were identified which do not belong to the entity and were therefore removed from the Inventory register. The effect of the restatement is as follows:

Statement of financial position

Decrease in Inventory	-	(65,982)
Decrease in Accumulated Surplus	-	65,982
	-	-

34. Prior period error - RDP properties

During the current year it was noted that land already allocated to beneficiaries for RDP housing by the Department of Human Settlements was still included in the inventory register. The properties were therefore removed from this register. The effect of the restatement is as follows:

Statement of financial position

Decrease in Inventory	-	(4,903,832)
Decrease in Accumulated Surplus	-	4,903,832
	-	-

35. Prior period error - Cameras duplicated

During the current year it was identified that law enforcement cameras purchased were duplicated on the asset register. The effect of the correction is as follows:

Statement of financial position

Decrease in Cost of PPE - Community assets	-	(1,500,000)
Decrease in Accumulated Surplus	-	1,500,000
	-	-

36. Prior period error - Landfill and quarries

Based on the provision valuation report it was noted landfill sites and quarries were understated as a result of the valuation of the provision.

Thus, the entity adjusted the value of the assets in line with the provisions report. The impact of this adjustment is as follows:

Statement of financial position

Increase in Cost of PPE - Community assets	-	56,661,579
Increase in Accumulated Depreciation of PPE - Community assets	-	(14,537,743)
Increase in Provisions	-	(56,661,579)
Decrease in Accumulated Surplus	-	13,568,560
Statement of financial performance		
Increase in Depreciation	-	969,183
	-	-

37. Prior period error - WIP Correction

During the current year it was noted that repairs and maintenance expenditure were incorrectly included in WIP. The effect of the restatement is as follows:

Statement of financial position

Decrease in Cost of PPE - Community assets - WIP	-	(4,704,392)
Statement of financial performance		
Increase in Repairs and maintenance	-	4,704,392
	-	-

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

57. Prior period errors (continued)

38. Prior period error - Deemed cost additions - Community

During the current year it was determined that certain ablution facilities were not included with the respective parks. The effect of the restatement is as follows:

Statement of financial position	
Increase in Cost of PPE - Community assets (Parks)	- 1,785,866
Increase in Accumulated depreciation of PPE - Community assets (Parks)	- (978,263)
Decrease in Accumulated Surplus	- (1,053,480)
Statement of financial performance	
Increase in Depreciation	- 245,877
	-

39. Prior period error - Zoo animal addition

During the current year it was identified that an animal was incorrectly derecognised in the prior year.

Statement of financial position	
Increase in Cost of PPE - Community assets	- 1,500
Increase in Accumulated Surplus	- (1,500)
	-

40. Prior period error - Movables

During the prior year, the purchase of goods only delivered after year end were incorrectly accrued for as Payables. The items related to movables purchases of the current year. The effect of the restatement were as follows:

Statement of financial position	
Decrease in Payables from exchange transactions - Trade payables	- 1,858,655
Decrease in VAT Receivable	- (201,824)
Statement of financial performance	
Decrease in Repairs and maintenance	- (1,656,831)
	-

41. Prior period error - Water meters

During the current year the water meter register was reconstructed, and therefore restated. The effect of the restatement is as follows:

Statement of financial position	
Increase in Cost of PPE - Infrastructure assets	- 217,623,323
Increase in Accumulated depreciation - Infrastructure assets	- (66,193,665)
Increase in Accumulated surplus	- (113,220,113)
Statement of financial performance	
Decrease in Repairs and maintenance	- (25,864,366)
Decrease in Depreciation	- (12,345,179)
	-

58. Comparative figures

Certain comparative figures have been reclassified to more closely reflect their purpose.

The effects of the reclassification are as follows:

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

58. Comparative figures (continued)

Statement of Financial Performance

Increase in Contracted services - Refuse removal	-	36,982,826
Decrease in General expenditure - Refuse removal	-	(36,982,826)
Other income from exchange transactions		
Advertising	-	(1,163,857)
Sundry income	-	1,163,857

59. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk.

This note presents information about the entity's exposure to each of the financial risks below and the entity's objectives, policies and processes for measuring and managing the financial risks. Further quantitative disclosures are included throughout the financial statements.

The Council has overall responsibility for the establishment and oversight of the entity's risk management framework.

The entity's audit committee oversees the monitoring of compliance with the entity's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the entity. The audit committee is assisted in its oversight role by the entity's internal audit function.

The entity monitors and manages the financial risks relating to the operations of the entity through internal risk reports which analyse exposures by degree and magnitude of risks.

The entity seeks to minimise the effects of these risks in accordance with the entity's policies approved by the Council. The policies provide written principals on interest rate risk, credit risk and the investment of excess liquidity.

Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The entity does not enter into or trade in financial instruments for speculative purposes.

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

59. Risk management (continued)

Liquidity risk

Liquidity risks is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, entity treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The entity has defaulted on external loans, as disclosed in note 24, but did not default on payables and leave commitment payments. No re-negotiation of terms were made on any of these instruments.

All of the entity's financial assets have been reviewed for indicators of impairment. Certain receivables were found to be impaired and a provision has been raised accordingly. The impaired receivables are mostly due from customers defaulting on service costs levied by the entity.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2016	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	100,965,373	673,092,550	-
Finance lease obligations	44,087,900	19,179,554	-
Trade payables from exchange transactions	980,276,707	-	-
Trade payables from non-exchange transactions	286,199,407	-	-
At 30 June 2015	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	35,002,986	178,048,790	379,133,799
Finance lease obligations	40,940,164	65,478,721	-
Trade payables from exchange transactions	508,559,937	-	-
Trade payables from non-exchange transactions	279,414,560	-	-

There has been no change, since the previous financial year, to the entity's exposure to liquidity risks or the manner in which it manages and measures the risks.

Notes to the Annual Financial Statements

Figures in Rand

59. Risk management (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

All of the entity's financial assets have been reviewed for indicators of impairment. Certain receivables were found to be impaired and a provision has been raised accordingly. The impaired receivables are mostly due from customers defaulting on the service costs levied by the entity.

Receivables are presented net of an allowance for impairment.

Financial assets exposed to credit risk at year end were as follows:

Financial Instrument	2016	2015
Cash and cash equivalents	61,967,778	224,833,758
Centlec receivables	1,166,886,587	1,174,042,040
Centlec intercompany loan	917,500,570	709,344,553
Consumer receivables from exchange transactions	450,909,821	415,613,121
Consumer receivables from non-exchange transactions	262,419,381	303,378,328
Other non-current receivables from exchange transactions	278,365	657,928
Other receivables from exchange transactions	34,325,339	28,931,660
Other receivables from non-exchange transactions	4,454,092	810,045
Financial instruments designated at fair value	33,107	32,498

The entity is exposed to a number of guarantees for housing loans of employees. Refer to note 55 for additional details.

These balances represent the maximum exposure to credit risk.

There has been no change, since the previous financial year, to the entity's exposure to credit risks or the manner in which it manages and measures the risks.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the entity's revenue or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no change, since the previous financial year, to the entity's exposure to market risks or the manner in which it manages and measures the risks.

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

59. Risk management (continued)

Interest rate risk

Interest rate risk is defined as the risk that the fair value of future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest rate changes.

The entity's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer term borrowings are therefore usually at fixed rates.

At year end, the financial instruments exposed to interest rate risk were as follows:

- Call, notice and fixed deposits
- Development Bank of South Africa and Standard Bank of South Africa Limited loans
- Finance lease obligations

The entity's interest rate risk arises from long-term borrowings and finance leases. Borrowings and finance leases issued at variable rates expose the entity to cash flow interest rate risk.

Borrowings and finance leases issued at fixed rates expose the entity to fair value interest rate risk. Entity policy is to maintain the majority of its borrowings and finance leases in fixed rate instruments. During 2016 and 2015, the entity's borrowings and finance leases at variable rate were denominated in the Rand.

Foreign exchange risk

The entity does not enter into significant foreign currency transactions and has had very limited exposure to foreign currency risk.

The entity does not hedge foreign exchange fluctuations.

Price risk

The entity is exposed to equity securities price risk because of investments held by the entity and classified on the statement of financial position at fair value through surplus or deficit. The entity is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the entity diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the entity.

The fair value of financial assets with standard terms and conditions, and are traded in an active market is determined with reference to quoted market bid prices, and asked prices respectively.

60. Going concern

We draw attention to the fact that at 30 June 2016, the entity had an accumulated surplus of R 10,591,120,563 and that the entity's total assets exceed its liabilities by R 11,479,136,696.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Although certain going concern ratios, such as the cash coverage and creditors' days may appear unfavourable, the entity still has the power to levy rates and taxes and it will continue to receive funding from government as evident from the equitable share allocation in terms of the Division of Revenue Act, (Act 3 of 2016).

The entity has an intercompany loan to Centlec SOC (Ltd), as shown under note 9 to an amount of R 917,500,570 (2015: R 709,344,553). The current ratio is calculated at 0.60:1 (2015: 1.06:1), when excluding the loan, as the entity has full control over the municipal entity.

61. Unauthorised expenditure

Opening balance	2,054,733,537	1,067,601,004
Unauthorised expenditure - current year	654,710,007	987,132,533
	2,709,443,544	2,054,733,537

The comparative year figure has been restated as follows:

- Decrease in Unauthorised expenditure - current year by R10,002,012
- Incidents regarding 2014/2015
- Decrease in Overspending by Finance by R10,002,012

Mangaung Metropolitan Municipality
Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

61. Unauthorised expenditure (continued)

Comparative information has been restated due to correction of prior period errors and omissions.

Incidents regarding 2015/2016

	Disciplinary steps taken / criminal proceedings		
Overspending by City Manager	None	58,351,818	-
Overspending by Engineering Services	None	379,453,297	-
Overspending by Water Services	None	42,036,752	-
Overspending by Waste and Fleet Management Services	None	8,718,871	-
Overspending by Miscellaneous Services	None	139,964,748	-
Overspending by Finance (Capital Budget)	None	428,285	-
Overspending by Human Settlements and Housing (Capital Budget)	None	24,220,513	-
Overspending by Strategic Projects and Service Delivery Regulations (Capital Budget)	None	1,535,723	-
		654,710,007	-

Incidents regarding 2014/2015

	Disciplinary steps taken / criminal proceedings		
Overspending by Infrastructure services	None	-	476,310,085
Overspending by Water services	None	-	16,073,144
Overspending by Miscellaneous services	None	-	494,749,304
		-	987,132,533

Incidents regarding 2013/2014

	Disciplinary steps taken / criminal proceedings		
Overspending by Infrastructure services	None	-	335,548,820
Overspending by Water services	None	-	6,503,968
Overspending by Miscellaneous services	None	-	324,571,205
Overspending by Property rates	None	-	6,472,972
		-	673,096,965

Incidents regarding 2012/2013

	Disciplinary steps taken / criminal proceedings		
Overspending by Infrastructure services	None	-	19,535,661

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

61. Unauthorised expenditure (continued)

Incidents regarding 2011/2012

	Disciplinary steps taken / criminal proceedings	
Overspending by Finance directorate	None	- 35,020,886
Overspending by Infrastructure services	None	- 29,551,033
Overspending by Regional operations	None	- 159,247,863
Overspending by Miscellaneous services	None	- 44,318,396
Overspending by Corporate services	None	- 37,317,682
Overspending by Fresh Produce Market	None	- 177,295
Overspending by Water services	None	- 1,623,331
		- 307,256,486

Incidents regarding 2010/2011

	Disciplinary steps taken / criminal proceedings	
Overspending by Fresh Produce Market	None	- 417,912
Overspending by Miscellaneous services	None	- 29,774,764
Overspending by Water services - Operating	None	- 23,353,983
Overspending by Water services - Capital	None	- 14,165,233
		- 67,711,892

The unauthorised expenditure relates to the following:

1. Office of the City Manager:

The over expenditure on this vote relates to additional costs incurred with regard to the IPTN implementation.

2. Engineering Services

The over expenditure on this vote relates to the depreciation, amortisation and impairment of assets exceeding the budgeted amounts. Additionally, expenditure relating to the fair value adjustments on the landfill and quarries provisions was in excess of the budgeted amounts.

3. Water Services

The over expenditure on this vote is as a result of the provision for doubtful debts within this vote being in excess of the budgeted amount.

4. Waste and Fleet Management Services

The over expenditure incurred on this vote is mainly as result of additional overtime payments incurred to attend to urgent repairs to various areas in the City.

5. Miscellaneous Services

The over expenditure incurred on this vote relates to the provision for doubtful debts within this vote being in excess of the budgeted amount.

62. Fruitless and wasteful expenditure

Opening balance	28,534,039	28,324,936
Fruitless and wasteful expenditure for the current year	707,484	209,103
	29,241,523	28,534,039

During the audit process indications of possible fruitless and wasteful expenditure were identified relating to the N8 Development Node and relates to procurement contracts which management is investigating its compliance to the MFMA and SCM regulations.

Mangaung Metropolitan Municipality
Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

62. Fruitless and wasteful expenditure (continued)

Incidents regarding 2015/2016

	Disciplinary steps taken / criminal proceedings		
Interest paid to Eskom due to late payment	None	127,272	-
Interest paid to Razzmatazz (Pty) Ltd due to late payment	None	11,700	-
Interest paid to FDC due to late payment	None	1,732	-
Interest paid to PEC Metering due to late payment	None	618	-
Interest paid to UMFA due to late payment	None	662	-
Interest paid to Telkom SA Limited due to late payment	None	212,973	-
Interest paid to Kramer, Weihmann and Joubert due to late payment	None	3,796	-
Interest and penalties paid to SARS due to late payment and under declaration of VAT	None	117,852	-
Councillors who had their membership terminated were paid contrary to the requirements of the Remuneration of Public Office Bearers Act 20 of 1998	None	230,879	-
		707,484	-

Incidents regarding 2014/2015

	Disciplinary steps taken / criminal proceedings		
Interest paid to Eskom due to late payment	None	-	20,469
Interest paid to FDC due to late payment	None	-	256
Interest paid to Lawyers due to late payment	None	-	5,549
Interest paid to PEC Metering due to late payment	None	-	402
Interest paid to Telkom due to late payment	None	-	57,044
Interest paid to SARS due to late payment	None	-	45,077
Interest paid to Phethogo Consulting CC due to late payment	None	-	78,938
Interest paid to UMFA due to late payment	None	-	213
Interest paid to Merchant West (Pty) Ltd due to late payment	None	-	1,155
		-	209,103

Incidents regarding 2013/2014

	Disciplinary steps taken / criminal proceedings		
Interest paid to Eskom due to late payment	None	-	138,247
Interest paid to FDC due to late payment	None	-	783
Interest paid to Broll due to late payment	None	-	976
Interest paid to Bloemwater due to late payment	None	-	240
Interest paid to Lawyers due to late payment	None	-	769
Interest paid to PEC Metering due to late payment	None	-	417
Interest paid to Dlamini and Associates due to late payment	None	-	525
Interest paid to Standard Bank of South Africa due to late payment	None	-	3,818
Interest paid to Wright Rose Innes INC due to late payment	None	-	2,360
Interest paid to Direhospitaal due to late payment	None	-	208
		-	148,343

Mangaung Metropolitan Municipality
Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

62. Fruitless and wasteful expenditure (continued)

Incidents regarding 2012/2013

	Disciplinary steps taken / criminal proceedings	
Interest paid to Ruwaccon (Pty) Ltd due to late payment	None	- 42,879
Interest paid to Eskom due to late payment	None	- 41,415
Interest paid to FDC due to late payment	None	- 804
Interest paid to Rossouws Attorneys due to late payment	None	- 390
Interest paid to Rural Maintenance (Pty) Ltd due to late payment	None	- 57
No Show penalty for 7 Councillors on 29 January 2013, for accommodation at Protea Hotel	None	- 12,247
Interest paid to UMFA/FS Business Trust due to late payment	None	- 165
Interest and penalties paid to SARS due to late submission of a VAT return	None	- 147,204
Interest paid to Bloemwater due to late payment	None	- 4,851
Interest paid to Merchant West (Pty) Ltd due to late payment	None	- 60,820
Interest paid to Telkom SA limited due to late payment	None	- 100,031
Interest paid to Lawyers due to late payment	None	- 11,506
Councillor T.J Makae annual salary was paid to him but was however no longer a councillor	None	- 375,765
		- 798,134

Incidents regarding 2011/2012

	Disciplinary steps taken / criminal proceedings	
Penalties and interest paid on the late submission of a VAT return.	None	- 113,832
Penalties and interest paid on the late submission VAT return of prior years	None	- 13,816,522
Interest paid on overdue accounts	None	- 31,163
Interest paid on overdue accounts - Telkom	None	- 38,520
Councillor T.J Makae annual salary was paid to him but was however no longer a councillor	None	- 378,254
		- 14,378,291

Incidents regarding 2010/2011

	Disciplinary steps taken / criminal proceedings	
Penalties and interest paid on the late submission of a VAT return	None	- 7,729,134
Penalties and interest paid on the late submission of PAYE, UIF and SDL	None	- 171,147
		- 7,900,281

Incidents regarding 2009/2010

	Disciplinary steps taken / criminal proceedings	
Penalties and interest paid on the late submission of VAT return.	None	- 5,099,888

63. Irregular expenditure

Opening balance	247,341,729	239,275,471
Add: Irregular Expenditure - current year	8,325,421	8,066,258
	255,667,150	247,341,729

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

63. Irregular expenditure (continued)

Analysis of expenditure awaiting condonation per age classification

Current year	8,325,421	8,066,258
Prior years	247,341,729	239,275,471
	255,667,150	247,341,729

Details of irregular expenditure – current year

	Disciplinary steps taken/criminal proceedings	
Expenditure items identified where the supply chain management process was not followed	The expenditure was identified during the current financial year and still needs to be investigated	4,601,694
Councillors who had their membership terminated were paid contrary to the requirements of the Remuneration of Public Office Bearers Act 20 of 1998	The expenditure was identified during the current financial year and still needs to be investigated	230,879
Non-compliance with the Municipal Systems Act, (Act 32 of 2000) with regard to acting allowances paid	The expenditure was identified during the current financial year and still needs to be investigated	492,848
Expenditure items identified where the expenditure incurred were not in accordance with the contract between Mangaung and the service providers	The expenditure was identified during the current financial year and still needs to be investigated	3,000,000
		8,325,421

64. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription fee	11,800,000	11,096,000
Amount paid - current year	(11,800,000)	(11,096,000)
	-	-

Contributions to organised local government consists of annual subscriptions paid to SALGA.

Audit fees

Opening balance	396,010	1,002,948
Current year regularity audit fees	16,197,262	15,698,093
Amount paid - previous years	(396,010)	(1,002,948)
Amount paid - current year	(14,499,364)	(15,302,083)
	1,697,898	396,010

During the current year an error was discovered in the disclosure of the prior year audit fees.

The comparative figure for audit fees has been adjusted as follows:

Current year fees has increased by R398,184
Amount paid - current year has increased by R2,174
Closing balance has increased by R396,010

PAYE and UIF

Current year subscription / fee	202,891,816	175,823,068
Amount paid - current year	(185,563,073)	(175,823,068)
	17,328,743	-

Pension and Medical Aid Deductions

Current year subscription / fee	288,253,225	254,328,359
Amount paid - current year	(263,736,669)	(254,328,359)
	24,516,556	-

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

64. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

Refer to Appendix H for details regarding the councillors' arrear consumer accounts.

Supply chain management regulations

In terms of section 45 of the Municipal Supply Chain Management Regulations any awards made to a person that is a spouse, child or parent of a person in service of the state must be disclosed.

Details of award

Isibaya Solutions (Pty) Ltd - Spouse employed by Department of Economic, Sports, Tourism and Environmental Affairs

1,321,570

-

Bulk water losses

Material bulk water losses during the year under review were as follows and are not recoverable. The main reason for incurring water losses related to burst water pipes, leaks and unmetered sites.

	Kilo liter	Cost per Kilo liter	Total loss in Rands
2016	24,521,368	5.97	146,392,570
2015	33,281,104	5.21	173,394,547

In the prior year the cost per kilo liter was incorrectly stated at R5.04, and not R5.21.

This matter has been corrected in the current year, resulting in the following changes to the comparative figures:

Total loss increased by R5,657,788

Grants withheld

During the year under review, the following amount was withheld by National Treasury. It is expected that this grant income will be received upon the submission of additional documentation. This amount has not yet been included as income.

Grant

Neighbourhood Development Grant

11,000,000

-

65. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix E(1) for the comparison of actual operating expenditure versus budgeted expenditure.

66. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix E(2) for the comparison of actual capital expenditure versus budgeted expenditure.

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

67. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the Council and includes a note to the annual financial statements.

For the financial year there were instances where goods and services were procured and deviated from the normal supply chain management policy.

The reasons for these deviations were documented and reported to the Accounting officer who considered them and approved the deviation from the normal Supply Chain Management Regulations.

Deviations 2016

	Rands	Number of deviations
Emergency	3,101,903	18
Sole supplier	9,817,992	28
Impractical	991,270	9
Urgent	72,000	1
	13,983,165	56

Deviations 2015

	Rands	Number of deviations
Emergency	6,403,085	40
Sole supplier	6,098,316	23
Impractical	9,833,291	38
	22,334,692	101

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

68. Budget differences

Changes from the approved budget to the final budget

Statement of financial performance:

A1 - Property rates revenue were adjusted downwards due to the downwards adjustment of property values as a result of the decisions from the Valuation Appeals Board.

A2 - Service charges revenue were adjusted downwards due to the level of performance as at the time of the mid-year performance evaluation.

A3 - The adjustments to transfers recognised were made in line with the adjustments in government funding and funds rolled over from the prior year.

A4 - The adjustment was made due to the expected increase in the interest on the shareholders loan from Centlec (SOC) Ltd.

A5 - Employee costs were adjusted downwards due to the savings made on employee costs at the mid year review as a result of vacancies.

A6 - The adjustment was made due to the balance of the Centlec intercompany receivable being favourable to the entity and no interest costs expected.

A7 - Increase due to the expected increase in road maintenance to be done.

A8 - Adjustment made due to the expected decrease in free basic services based on performance as at mid year review.

A9 - The adjustment made mainly due to the expected increase in costs of refuse collection, and the IPTN expenditure expected.

Statement of financial position:

A10 - Changes to the statement of financial position budget were made due to the audited financial statements as at 30 June 2015 becoming available after the finalisation of the audit. The changes were done in order to align the budget statement of financial position, taking into account the closing balances as per the financial statements, as well as changes made on the statement of financial performance and budgeted capital expenditure.

Cash flow statement:

A11 - Changes to the cash flow statement were made due to the anticipated cash position of the entity as a result of the adjustments made to the statements of financial performance and position.

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

68. Budget differences (continued)

Material differences between the budget and actual amounts

Statement of financial performance:

B1 - Property rates has a favourable variance due to the result of the rates appeals being corrected, and more billing than anticipated for the period than what was budgeted.

B2 - Unfavourable variance due to less water billed for the period than budgeted mainly due to water restrictions.

B3 - Favourable variance due to interest received from the entity on the intercompany loan.

B4 - Transfers recognised for operating and capital grants had favourable and unfavourable variances respectively due to the different conditions being achieved for the conditional grants. Capital projects had slower implementation, therefore less revenue was recognised.

B5 - Other own revenue has an unfavourable due to a combination of under/over collection on various revenue items, non-cash items and GRAP issues only accounted for when finalising the financial statements.

B6 - Favourable variance due to the moratorium placed on the filling of vacancies.

B7 - Debt impairment has an unfavourable variance as the provision for doubtful debts was in excess of the anticipated provision.

B8 - Depreciation has an unfavourable variance as a result of the increased asset base.

B9 - Unfavourable variance due to additional interest costs incurred on long term borrowings towards year end.

B10 - Material and bulk purchases had an unfavourable variance due to an increase in repairs and maintenance, especially on buildings.

B11 - Transfers and Grants paid have a favourable variance mainly due to the change in the accounting treatment of grants given on the free basic services.

B12 - Other expenditure has an unfavourable fluctuation mainly as a result of losses incurred on asset sales.

Statement of financial position:

B13 - Variance due to the activities reported in the statement of financial performance and the resultant financial position of the entity.

Cash flow statement:

B14 - Variance due to the activities reported in the statement of financial performance and the resultant financial position of the entity.

Reconciliation between Total Revenue and Total Expenditure

R1 - Fair value adjustments and gains on the disposal of non-current assets are classified as revenue for budgeting purposes, and therefore included under total revenue, while they are classified as adjustments to expenditure for the purpose of the financial statements.

69. Events after the reporting date

On 2 July 2015 the Municipal Demarcation Board issued circular 8/2015 which re-determined certain municipal boundaries. As a result of this re-determination, the boundaries of Mangaung Metropolitan Municipality will extend to include Naledi Local Municipality and Soutpan from Masilonyana Local Municipality. These changes are effective as of 3 August 2016.

On 8 July 2016 the Council resolved that 11 170 indigents be included in the indigent register. These indigents had outstanding balances amounting to R50,748,313 at the date of inclusion. Council approved the write off of these balances.

At the same meeting, Council approved the write off 4 673 accounts owed by disabled / pensioned indigents, with outstanding balances amounting to R23,714,052; and 77 housing rental accounts with outstanding balances amounting to R14,545.

70. Non-compliance with the MFMA

During the current financial year the following non-compliance matters were identified:

Mangaung Metropolitan Municipality

Annual Financial Statements for the year ended 30 June 2016

Notes to the Annual Financial Statements

Figures in Rand

70. Non-compliance with the MFMA (continued)

Supply chain management regulations 12(1)(c), 17(1)(a) - (c)

Goods and services of a transaction value between R10,000 and R200,000 were procured without inviting at least three written price quotations from accredited prospective providers and the deviation was not approved by the CFO or his delegate.

Supply chain management regulations 36(1)

Goods and services with a transactions value above R200,000 were not procured by means of a competitive bidding process and the deviation was not approved by the accounting officer or her delegate in accordance with the supply chain management policy.

Deviations from competitive bidding were approved on the basis of it being an emergency, even though immediate action was not necessary and sufficient time was available to follow a bidding process.

Deviations from competitive bidding were approved on the basis of it being an emergency, even though proper planning would have prevented such emergency.

Mangaung Metropolitan Municipality
Appendix A to the Annual Financial Statements - Unaudited

Schedule of external loans as at 30 June 2016

Loan Number	Redeemable	Balance at 30 June 2015	Received during the period	Redeemed written off during the period	Balance at 30 June 2016
		Rand	Rand	Rand	Rand
Development Bank of South Africa @ 12.62%	31 March 2026	42,555,911	-	2,045,613	40,510,298
Development Bank of South Africa @ 6.75%	31 March 2026	138,000,746	-	3,703,782	134,296,964
Development Bank of South Africa @ 10.642%	30 June 2025	127,000,000	-	(9,292,275)	136,292,275
Standard bank of South Africa Limited	30 June 2025	283,235,810	173,000,000	(6,722,575)	462,958,385
		590,792,467	173,000,000	(10,265,455)	774,057,922

Mangaung Metropolitan Municipality
Appendix B to the Annual Financial Statements - Unaudited

Analysis of property, plant and equipment as at 30 June 2016
Cost/Revaluation

Accumulated depreciation

	Opening Balance		Additions		WIP Additions		Disposals		WIP Transferred to Additions		Transfers		Revaluations / Fair value adjustments		Closing Balance		Opening Balance		Disposals/ Transfers		Revaluations / Fair value adjustments		Depreciation		Impairment loss		Closing Balance		Carrying value	
	Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand	
Land																														
Land	1,427,016,234		35,001,000		-		(224,469)		-		(7,761,787)		-		1,454,030,978		-		-		-		-		-		-		1,454,030,978	
	1,427,016,234		35,001,000				(224,469)				(7,761,787)				1,454,030,978													1,454,030,978		
Buildings																														
Buildings	1,205,299,711		7,434,342		-		(738,530)		-		(7,434,342)		-		1,211,996,523		237,574		-		(47,874,654)		-		-		(119,374,667)		1,092,620,956	
Work in Progress	18,964,558		-		-		-		(7,434,342)		-		-		61,373,977		-		-		-		-		-		-		61,373,977	
	1,224,264,269		7,434,342				(738,530)		(7,434,342)						1,273,369,500		237,574				(47,874,664)						(119,374,667)		1,163,994,933	
Infrastructure assets																														
Roads	2,709,549,617		68,177,592		-		-		-		-		-		2,777,727,209		6,830,986		-		(186,365,206)		-		-		(1,160,011,700)		1,627,715,509	
Street lighting	10,474,432		-		-		(10,474,432)		-		-		-		110,317,619		-		-		(2,002,676)		-		-		(16,066,411)		94,262,208	
Bridges	110,317,619		-		-		-		-		-		-		14,052,735		-		-		(4,816,861)		-		-		(4,816,861)		1,425,124	
Intersections	6,241,985		-		-		-		-		-		-		6,241,985		-		-		(557,020)		-		-		(7,089,418)		1,325,163	
Road Furniture	8,414,581		-		-		-		-		-		-		8,414,581		-		-		(62,867,234)		-		-		(420,834,843)		1,454,091,815	
Sanitation	1,510,573,473		364,353,185		-		-		-		-		-		1,874,926,658		-		-		(18,114,367)		-		-		(105,499,239)		1,01,393,052	
Side walks	173,172,011		33,720,280		-		-		-		-		-		206,892,291		942,676		-		(108,931,618)		-		-		(681,109,526)		1,581,090,406	
Water	1,998,307,343		169,093,827		-		-		-		-		-		2,162,199,932		-		-		(11,991,746)		-		-		(13,884,278)		9,353,561	
Rail road sidings	23,337,859		294,987		-		(5,201,238)		-		-		-		23,337,859		-		-		(4,761,987)		-		-		(18,723,593)		97,660,064	
Stormwater	115,088,770		-		-		-		-		-		-		116,383,757		16,176,072		-		-		-		-		(128,766,486)		247,197,749	
Water meters	363,700,204		46,675,521		-		(34,422,490)		-		-		-		376,963,235		-		-		-		-		-		-		1,345,374,127	
Work in Progress	903,317,812		-		-		-		(682,315,392)		-		-		1,346,374,127		-		-		-		-		-		-		1,345,374,127	
	7,933,496,706		882,316,392				(50,098,160)		(682,316,392)						9,007,769,263		23,948,734				(414,078,349)						(2,446,880,466)		6,560,888,798	
Community assets																														
Parks	134,690,845		66,969,627		-		-		-		-		-		201,660,472		-		-		(24,371,017)		-		-		(76,968,047)		124,692,425	
Fresh produce market	55,771,013		-		-		-		-		-		-		56,771,013		-		-		(3,148,336)		-		-		(35,706,356)		20,064,658	
Swimming pools	51,956,084		14,563,882		-		-		-		-		-		66,521,966		86,618		-		(2,828,627)		-		-		(18,426,284)		48,095,682	
Cemeteries	51,710,642		3,015,058		-		(194,625)		-		-		-		54,631,075		-		-		(2,552,449)		-		-		(22,614,606)		32,016,469	
Landfill sites	153,880,201		10,224,290		-		-		-		-		-		164,104,491		-		-		(3,221,511)		-		-		(170,892,686)		53,211,896	
Quarry sites	350,859,878		27,956,268		-		(9,230,769)		-		-		-		369,686,377		-		-		(18,018,799)		-		-		(255,410,617)		114,174,760	
Sports grounds	355,563,405		773,356		-		-		-		-		-		356,336,761		-		-		(13,068,325)		-		-		(121,379,614)		234,957,247	
Sports stadiums	138,915,054		7,252,299		-		-		-		-		-		146,167,363		-		-		(5,810,213)		-		-		(61,830,373)		84,336,980	
Law enforcement cameras	56,615,874		-		-		-		-		-		-		56,615,874		-		-		(5,515,783)		-		-		(40,713,329)		15,902,545	
Zoo animals	47,240,586		20,596,025		-		-		-		-		-		67,836,611		-		-		(4,476,552)		-		-		(21,219,800)		46,616,811	
Hawker stalls	8,457,415		673,985		-		(1,224,735)		-		-		-		5,153,325		30,359		-		(289,349)		-		-		(701)		5,152,624	
Environmental facilities	1,926,911		-		-		-		-		-		-		8,577,869		-		-		(378,796)		-		-		(6,709,467)		1,868,422	
Law enforcement dogs	56,000		-		-		(15,000)		-		-		-		1,926,911		8,759		-		(160,924)		-		-		(1,044,026)		882,885	
Work in Progress	141,091,548		-		-		-		(113,170,248)		-		-		41,000		-		-		(4,714)		-		-		(34,336)		6,665	
	1,656,316,346		152,024,790				(10,666,129)		(113,170,248)						1,676,776,640		126,736				(83,846,366)						(172,850,049)		903,926,691	

Mangaung Metropolitan Municipality
Appendix B to the Annual Financial
Statements - Unaudited

Analysis of property, plant and equipment as at 30 June 2016
Cost/Revaluation
Accumulated depreciation

	Opening Balance		Additions		WIP Additions		Disposals		WIP Transferred to Additions		Transfers		Revaluations / Fair value adjustments		Closing Balance		Disposals / Transfers		Revaluations / Fair value adjustments		Depreciation		Impairment loss		Closing Balance		Carrying value	
	Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand	
Other PPE																												
Fire arms	927,145		430,978		-		-		-		-		-		1,358,123		(271,528)		-		(111,037)		-		(382,666)		975,558	
Motor vehicles	167,197,339		-		(129,343)		-		(105,769)		-		-		166,962,227		(55,217,027)		136,025		(5,118,521)		(108,867)		(60,308,390)		106,653,837	
Tools, plant and equipment	15,313,983		7,320,759		(10,568)		-		105,769		-		-		22,729,943		(5,609,145)		(50,667)		(2,769,429)		-		(8,429,241)		14,300,702	
Furniture and office equipment	42,501,444		19,593,195		(2,294,539)		-		-		-		-		59,800,100		(10,679,387)		1,396,162		(9,176,801)		-		(18,460,026)		41,340,074	
Capitalised leased equipment	19,540,218		11,524,939		(19,540,218)		-		-		-		-		11,524,939		(19,540,218)		19,540,218		(573,098)		-		(673,098)		10,951,841	
Capitalised leased vehicles	158,439,006		20,270,935		(977,840)		-		-		-		-		177,732,101		(11,488,386)		81,349		(9,307,447)		(585,138)		(21,279,622)		156,452,479	
	403,919,136		69,140,806		(22,952,508)		-		-		-		-		440,107,433		(102,806,691)		21,103,087		(27,066,333)		(674,005)		(109,432,942)		330,674,491	
Heritage assets																												
Buildings	317,080,000		-		-		-		-		-		-		317,080,000		-		-		-		-	-	-	-	317,080,000	
Statues	4,488,687		-		-		-		-		-		-		4,488,687		-		-		-		-	-	-	-	4,488,687	
	321,568,687		-		-		-		-		-		-		321,568,687		-		-		-		-	-	-	-	321,568,687	
Intangible assets																												
Computers - software & programming	12,992,789		-		-		-		-		-		-		12,992,789		(3,403,676)		-		(979,268)		-	-	(4,382,944)		8,609,845	
Services	305,707		-		-		-		-		-		-		305,707		-		-		-		-	-	-	-	305,707	
	13,298,496		-		-		-		-		-		-		13,298,496		(3,403,676)		-		(979,268)		-	-	(4,382,944)		8,916,562	
Investment properties																												
Investment property	1,636,496,363		-		(176,000)		-		(138,813,363)		-		(138,813,363)		1,497,507,000		-		-		-		-	-	-	-	1,497,507,000	
	1,636,496,363		-		(176,000)		-		(138,813,363)		-		(138,813,363)		1,497,507,000		-		-		-		-	-	-	-	1,497,507,000	
Total																												
Land	1,427,016,234		35,001,000		(224,469)		-		(7,761,787)		-		-		1,454,030,978		(71,737,487)		-		(47,874,654)		-	-	(119,374,587)		1,454,030,978	
Buildings	1,224,264,269		7,434,342		(738,530)		-		(7,434,342)		-		-		1,273,369,500		(2,056,751,840)		237,574		(414,078,349)		-	-	(2,446,880,465)		1,153,994,933	
Infrastructure assets	7,933,495,706		682,315,392		(50,098,160)		-		(682,315,392)		-		-		9,007,779,263		(869,389,579)		23,949,734		(63,845,355)		-	-	(6,560,888,798)		6,560,888,798	
Community assets	1,555,315,345		152,024,790		(10,665,129)		-		(113,170,248)		-		(753,340)		1,676,776,840		(102,805,691)		125,736		(27,056,333)		(674,005)	-	(772,860,049)		903,926,591	
Other PPE	403,919,135		59,140,806		(22,952,508)		-		-		-		-		440,107,433		(102,805,691)		21,103,087		(979,268)		-	-	(109,432,942)		330,674,491	
Heritage assets	321,568,687		-		-		-		-		-		-		321,568,687		(3,403,676)		-		(979,268)		-	-	(4,382,944)		321,568,687	
Intangible assets	13,298,496		-		(176,000)		-		-		-		(138,813,363)		13,298,496		-		-		-		-	-	-	-	8,916,562	
Investment properties	1,636,496,363		-		-		-		-		-		-		1,636,496,363		-		-		-		-	-	-	-	1,497,507,000	
	14,516,374,236		935,916,330		(84,854,796)		(802,919,982)		(7,761,787)		(139,566,703)		(138,813,363)		15,684,427,987		(2,924,088,273)		45,416,131		(673,833,959)		(674,005)	(3,462,920,957)	(12,231,507,030)			

Mangaung Metropolitan Municipality Appendix B to the Annual Financial Statements - Unaudited

Analysis of property, plant and equipment as at 30 June 2015

Cost/Revaluation

Accumulated depreciation

	Opening Balance		Additions		WIP Additions		Disposals		WIP Transferred to Additions		Transfers		Revaluations / Fair value adjustments		Closing Balance		Opening Balance		Disposals		Revaluations / Fair value adjustments		Depreciation		Impairment loss		Closing Balance		Carrying value		
	Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		
Land																															
Land	1 434 678 700		1 577 535		-		-		-		(9 240 000)		-		1 427 016 235		-		-		-		-		-		-		1 427 016 235		
	1,434,678,700		1,577,535		-		-		-		(9,240,000)		-		1,427,016,235		-		-		-		-		-		-		1,427,016,235		
Buildings																															
Buildings	1 105 825 129		99 474 582		-		-		-		-		-		1 205 299 711		(38 958 310)		-		-		(32 779 177)		-		(71 737 487)		1 133 562 224		
Work in Progress	93 098 218		-		25 340 922		-		(89 474 582)		-		-		18 964 558		-		-		-		-		-		-		18 964 558		
	1,198,923,347		99,474,582		25,340,922		-		(89,474,582)		-		-		1,224,264,269		(38,958,310)		-		-		(32,779,177)		-		(71,737,487)		1,162,626,782		
Infrastructure																															
Roads	2 686 317 070		43 232 547		-		-		-		-		-		2 709 549 617		(766 471 035)		-		-		(197 121 878)		(53 595)		(963 646 508)		1 745 903 109		
Street lighting	10 474 432		-		-		-		-		-		-		10 474 432		(3 187 559)		-		-		(3 643 427)		-		(6 830 986)		3 543 446		
Bridges	110 317 619		-		-		-		-		-		-		110 317 619		(12 060 152)		-		-		(1 992 583)		-		(14 062 736)		96 264 884		
Intersections	6 154 449		87 536		-		-		-		-		-		6 241 986		(2 903 418)		-		-		(1 415 782)		-		(4 319 200)		1 922 785		
Road furniture	8 414 591		-		-		-		-		-		-		8 414 591		(5 629 428)		-		-		(902 970)		-		(6 632 398)		1 882 183		
Sanitation	1 404 486 364		106 087 109		-		-		-		-		-		1 510 573 473		(285 578 874)		-		-		(70 460 159)		(1 928 576)		(357 967 609)		1 152 605 954		
Side walks	173 172 011		-		-		-		-		-		-		173 172 011		(71 299 784)		-		-		(16 085 088)		-		(87 384 872)		85 787 139		
Water	1 714 731 982		283 575 360		-		-		-		-		-		1 998 307 342		(365 661 992)		-		-		(107 374 290)		(84 301)		(473 120 683)		1 525 186 759		
Rail road sidings	23 337 859		-		-		-		-		-		-		23 337 859		(6 574 473)		-		-		(4 218 058)		-		(11 992 632)		11 345 327		
Stormwater	76 057 949		40 030 821		-		-		-		-		-		116 088 770		(9 706 260)		-		-		(4 255 446)		-		(13 961 706)		102 127 054		
Water meters	326 925 115		36 775 089		-		-		-		-		-		363 700 204		(93 353 928)		-		-		(23 588 796)		-		(116 942 724)		246 757 480		
Work in Progress	602 636 037		-		778 379 289		-		(477 697 514)		-		-		903 317 812		-		-		-		-		-	-	-		903 317 812		
	7,123,026,468		509,788,462		778,379,289		-		(477,697,514)		-		-		7,933,495,705		(1,822,426,903)		-		-		(432,258,478)		(2,066,472)		(2,066,751,863)		5,876,743,852		
Community Assets																															
Parks	128 679 166		6 014 564		-		-		-		-		-		134 693 730		(39 219 486)		-		-		(13 379 642)		-		(62 699 128)		82 094 602		
Fresh Produce Market	54 402 849		1 368 364		-		-		-		-		-		56 771 013		(27 931 146)		-		-		(4 626 873)		-		(32 568 019)		23 212 994		
Swimming pools	49 332 792		2 625 292		-		-		-		-		-		51 958 084		(12 223 087)		-		-		(2 990 995)		(383 575)		(16 697 657)		36 360 427		
Cemeteries	51 710 643		-		-		-		-		-		-		51 710 643		(16 988 226)		-		-		(3 060 550)		-		(20 048 776)		31 661 867		
Landfill sites	176 887 656		-		-		-		-		-		(23 007 454)		153 880 202		(101 807 730)		-		-		(5 863 354)		-		(107 671 084)		46 209 118		
Quarry sites	319 041 815		-		-		-		-		-		31 818 063		360 859 878		(226 809 387)		-		-		(10 582 431)		-		(237 391 818)		113 468 060		
Sports grounds	355 163 379		400 025		-		-		-		-		-		355 563 404		(92 956 491)		-		-		(15 303 796)		(50 900)		(108 311 189)		247 252 215		
Sports stadiums	126 328 376		12 586 678		-		-		-		-		-		138 915 054		(44 836 828)		-		-		(11 183 332)		-		(66 020 160)		82 894 894		
Law enforcement cameras	52 566 237		4 049 638		-		-		-		-		-		56 615 878		(25 054 613)		-		-		(10 142 934)		-		(35 187 647)		21 418 328		
Zoo	47 240 586		-		-		-		-		-		-		47 240 586		(13 225 758)		-		-		(3 517 490)		-		(16 743 248)		30 497 338		
Zoo animals	5 637 629		1 226 380		-		-		-		-		453 908		6 857 418		(726)		20 305		231 636		(252 008)		-		(6 330 712)		6 456 625		
Hawker stalls	8 577 889		-		-		-		-		-		-		8 577 889		(5 450 832)		-		-		(796 291)		(83 589)		(6 330 712)		2 247 177		
Environmental facilities	1 926 911		-		-		-		-		-		-		1 926 911		(722 517)		-		-		(160 586)		-		(883 103)		1 043 808		
Law enforcement dogs	61 500		-		-		-		-		-		-		61 500		(34 096)		4 116		-		(8 400)		-		(38 380)		17 620		
Work in Progress	71 159 478		-		97 433 348		-		(27 501 278)		-		-		141 091 548		-		-		-		-		-	-	-		141 091 548		
	1,448,716,706		28,270,941		97,433,348		(865,999)		(27,501,278)		-		9,264,517		1,555,318,235		(607,260,923)		24,421		231,636		(81,868,684)		(518,064)		(689,391,614)		865,926,621		

Mangaung Metropolitan Municipality
Appendix B to the Annual Financial
Statements - Unaudited

Analysis of property, plant and equipment as at 30 June 2015
Cost/Revaluation **Accumulated depreciation**

	Opening Balance	Additions	WIP Additions	Disposals	WIP Transferred to Additions	Transfers	Revaluations / Fair value adjustments	Closing Balance	Opening Balance	Disposals	Revaluations / Fair value adjustments	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Other PPE															
Fire arms	790,258	136,887	-	-	-	-	-	927,145	(215,706)	-	-	(55,822)	-	(271,528)	655,617
Motor vehicles	166,062,865	1,114,474	-	-	-	-	-	167,177,339	(47,717,927)	-	-	(5,165,824)	(2,330,276)	(65,217,027)	111,980,312
Tools, plant and equipment	13,756,490	1,572,187	-	-	-	-	-	15,313,963	(3,725,195)	4,981	-	(1,868,931)	-	(5,609,146)	9,704,838
Furniture and office equipment	31,797,271	10,806,285	-	(14,694)	-	-	-	42,501,445	(5,575,106)	52,076	-	(5,155,357)	-	(10,679,307)	31,822,058
Capitalised leased equipment	19,540,218	-	-	(102,111)	-	-	-	19,540,218	(17,914,104)	-	-	(1,628,114)	-	(19,540,218)	-
Capitalised leased vehicles	137,531,079	20,907,927	-	-	-	-	-	158,439,006	(2,306,682)	-	-	(8,107,142)	(1,074,562)	(11,488,386)	146,950,620
	369,498,181	34,637,760	-	-	-	-	-	403,919,136	(77,454,720)	57,067	-	(22,003,190)	(3,404,838)	(102,805,691)	301,113,445
Heritage assets															
Buildings	317,080,000	-	-	-	-	-	-	317,080,000	-	-	-	-	-	-	317,080,000
Statues	4,488,687	-	-	-	-	-	-	4,488,687	-	-	-	-	-	-	4,488,687
	321,568,687	-	-	-	-	-	-	321,568,687	-	-	-	-	-	-	321,568,687
Intangible assets															
Computers - software & programming	10,456,358	2,536,431	-	-	-	-	-	12,992,789	(2,830,364)	-	-	(573,312)	-	(3,403,676)	9,589,113
Services	305,707	-	-	-	-	-	-	305,707	-	-	-	-	-	-	305,707
Work in progress	562,999	-	-	(562,999)	-	-	-	-	-	-	-	-	-	-	-
	11,325,064	2,536,431	-	-	-	-	-	13,298,496	(2,830,364)	-	-	(573,312)	-	(3,403,676)	9,894,820
Investment properties															
Investment property	1,643,033,363	-	-	-	-	(6,537,000)	-	1,636,496,363	-	-	-	-	-	-	1,636,496,363
	1,643,033,363	-	-	-	-	(6,537,000)	-	1,636,496,363	-	-	-	-	-	-	1,636,496,363
Total															
Land	1,434,678,700	1,577,535	-	-	-	(9,240,000)	-	1,427,016,235	-	-	-	-	-	-	1,427,016,235
Buildings	1,198,923,347	99,474,582	25,340,922	-	(99,474,582)	-	-	1,224,264,269	(38,958,310)	-	-	(32,779,177)	-	(71,737,487)	1,152,526,782
Infrastructure	7,123,025,468	509,788,462	778,379,289	-	(477,697,514)	-	-	7,933,496,706	(1,622,426,903)	-	-	(432,258,478)	(2,066,472)	(2,066,751,863)	5,876,743,852
Community Assets	1,448,716,706	28,270,941	97,433,348	(865,999)	(27,801,278)	-	9,264,517	1,555,318,236	(607,260,923)	24,421	231,636	(81,868,684)	(518,054)	(689,391,614)	865,926,621
Other PPE	369,498,181	34,537,780	-	(116,805)	-	-	-	403,919,136	(77,454,720)	57,067	-	(22,003,190)	(3,404,838)	(102,805,691)	301,113,445
Heritage assets	321,568,687	-	-	-	-	-	-	321,568,687	-	-	-	-	-	-	321,568,687
Intangible assets	11,325,064	2,536,431	-	(562,999)	-	(6,537,000)	-	13,298,496	(2,830,364)	-	-	(573,312)	-	(3,403,676)	9,894,820
Investment properties	1,643,033,363	-	-	-	-	(6,537,000)	-	1,636,496,363	-	-	-	-	-	-	1,636,496,363
	3,550,769,616	676,185,711	901,163,569	(1,645,803)	(604,673,374)	(15,777,000)	9,264,517	4,515,377,126	(2,348,931,220)	81,478	231,636	(669,482,841)	(5,989,374)	(2,924,090,321)	1,591,286,806

Mangaung Metropolitan Municipality
Appendix D to the Annual Financial Statements - Unaudited

Segmental Statement of Financial Performance for the year ended
Prior Year
30 June 2015

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand	Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality					
2,750,120,403	1,346,743,303	1,403,377,100	Executive & Council/Mayor and Council	1,071,822,517	1,383,684,817
17,321,238	335,007,246	(317,686,008)	Finance & Admin/Finance	351,033,313	(326,392,138)
6,616,747	79,486,377	(72,849,630)	Planning and Development/Economic Development/Plan	87,186,814	(81,671,525)
3,914	11,611,478	(11,607,564)	Health/Clinics	8,760,133	(8,758,580)
5,912,099	122,252,645	(116,340,546)	Comm. & Social/Libraries and archives	132,564,601	(125,970,264)
4,475,936	72,069,700	(67,593,764)	Housing	100,524,013	(83,126,912)
79,217,297	187,911,846	(108,694,549)	Public Safety/Police	213,946,672	(161,798,910)
1,884,423	23,491,526	(21,607,103)	Sport and Recreation	31,444,746	(29,238,013)
135,616	17,930,207	(17,794,591)	Environmental Protection/Pollution Control	22,669,725	(22,107,709)
437,429,944	306,119,435	131,310,509	Waste Water Management/Sewerage	476,965,351	128,433,894
1,102,107	727,826,598	(726,724,491)	Road Transport/Roads	736,545,881	(735,509,126)
726,713,601	721,402,078	5,311,523	Water/Water Distribution	903,115,804	(178,895,479)
21,273,175	13,345,153	7,928,022	Other/Air Transport	22,527,863	812,919
4,052,206,500	3,965,177,592	87,028,908		4,159,107,433	(240,537,026)

Mangaung Metropolitan Municipality
Appendix E(1) to the Annual Financial Statements - Audited

**Actual versus Budget(Revenue and
Expenditure) for the year ended 30 June
2016**

	Act. Bal. Rand	Adjusted budget Rand	Variance Rand	Var
Revenue				
Property rates	810,476,471	745,311,119	65,165,352	8.7
Service charges	927,514,290	950,262,336	(22,748,046)	(2.4)
Rental of facilities and equipment	33,243,326	33,298,212	(54,886)	(0.2)
Interest received	399,137,524	193,194,684	205,942,840	106.6
Agency services	96,009,980	1,711,932	94,298,048	5,508.3
Licences and permits	656,529	1,010,132	(353,603)	(35.0)
Fines revenue	51,082,513	70,360,739	(19,278,226)	(27.4)
Other income	94,724,305	1,066,587,247	(971,862,942)	(91.1)
Transfers received - Capital	1,710,171,686	1,493,912,872	216,258,814	14.5
	4,123,016,624	4,555,649,273	(432,632,649)	(9.5)
Expenses				
Personnel	(1,285,443,448)	(1,312,511,361)	27,067,913	(2.1)
Remuneration of councillors	(52,421,659)	(52,671,527)	249,868	(0.5)
Depreciation	(575,114,017)	(410,776,713)	(164,337,304)	40.0
Finance costs	(140,484,895)	(131,939,471)	(8,545,424)	6.5
Bad debts written off	(465,223,524)	(224,626,112)	(240,597,412)	107.1
Repairs and maintenance - General	(430,904,115)	(353,705,039)	(77,199,076)	21.8
Bulk purchases	(419,812,317)	(446,572,676)	26,760,359	(6.0)
Contracted Services	(430,545,569)	(298,938,472)	(131,607,097)	44.0
Transfers and Subsidies	(43,780,813)	(71,042,362)	27,261,549	(38.4)
General Expenses	(355,472,984)	(503,246,843)	147,773,859	(29.4)
	(4,199,203,341)	(3,806,030,576)	(393,172,765)	10.3
Other revenue and costs				
Gain or loss on disposal of assets and liabilities	(30,849,062)	-	(30,849,062)	-
Fair value adjustments	(139,118,141)	-	(139,118,141)	-
Actuarial gains/losses	(388,000)	-	(388,000)	-
	(170,355,203)	-	(170,355,203)	-
Net surplus/ (deficit) for the year	(246,541,920)	749,618,697	(996,160,617)	(132.9)

Mangaung Metropolitan Municipality
Appendix E(2) to the Annual Financial Statements - Audited

Budget Analysis of Capital Expenditure as at 30 June
2016

	Additions Rand	Revised Budget Rand	Variance Rand	Variance %
City Manager	-	-	-	-
Executive Mayor	-	-	-	-
Corporate Services	31,302,159	40,798,768	9,496,609	23
Finance	6,032,984	5,604,699	(428,285)	(8)
Social Services	48,800,060	73,582,714	24,782,654	34
Planning	62,368,420	146,855,360	84,486,940	58
Human Settlement and Housing	84,420,513	60,200,000	(24,220,513)	(40)
Economic and Rural Development	10,218,157	15,389,182	5,171,025	34
Engineering Services	794,164,233	825,746,560	31,582,327	4
Water Services	247,203,898	311,033,478	63,829,580	21
Waste and Fleet Management	78,066,918	105,846,000	27,779,082	26
Miscellaneous Services	-	-	-	-
Regional Operations	-	-	-	-
Strategic Projects and Service Delivery Regulation	21,535,723	20,000,000	(1,535,723)	(8)
	1,384,113,064	1,605,056,761	220,943,697	14

Mangaung Metropolitan Municipality

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts					Quarterly Expenditure				Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Yes/ No
		Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun			
Equitable Share	National	248,605,000	192,695,000	149,163,000	6,189,000	186,453,750	158,498,750	135,185,500	116,514,000	Yes		
Financial Management Grant	National	1,300,000	-	-	-	431,034	633,598	235,368	-	Yes		
National Electrification Programme	National	10,300,000	16,300,000	3,400,000	-	-	-	-	-	Yes		
Electricity Demand Side Management	National	-	-	-	-	-	-	-	-	Yes		
Housing Accreditation Subsidy	Provincial	-	-	-	-	539,784	674,396	99,850	1,001,265	Yes		
Urban Settlement Development Grant	National	350,000,000	210,000,000	133,847,000	-	103,411,934	171,862,295	150,455,941	287,008,542	Yes		
Fuel levy	National	86,976,000	86,976,000	86,976,000	-	65,232,000	65,232,000	65,232,000	65,232,000	Yes		
EPWP Grant	National	1,239,000	929,000	929,000	-	-	1,737,944	754,774	642,922	Yes		
Sustainable Human Settlement	National	-	-	-	-	159,551	-	760,978	81,714	Yes		
Support Grant	Provincial	-	1,500,000	500,000	-	-	-	29,246	679,579	Yes		
Department SACR grant - Admin Library	National	7,870,000	7,870,000	38,036,000	-	-	7,216,703	7,227,605	7,091,415	Yes		
Neighbourhood Development Grant	National	5,079,000	5,078,000	-	-	-	1,199,869	3,756,704	5,104,193	Yes		
Integrated City Development Grant	National	-	9,206,000	-	-	-	266,104	6,500	6,148,711	Yes		
Municipal Human Settlement	National	-	-	-	-	-	-	-	-	Yes		
Capacity Grant	National	-	-	26,128,000	22,000,000	-	-	56,554,010	6,518,190	Yes		
Public Transport Network Grant	National	-	-	5,292,842	-	-	-	-	-	Yes		
Department Telecom and Postal Services (WIFI)	National	-	-	-	-	-	-	-	-	Yes		
		711,369,000	530,554,000	444,271,842	28,189,000	356,228,053	407,321,659	420,298,476	496,022,531			

Mangaung Metropolitan Municipality
Appendix G1 to the Annual Financial Statements - Unaudited
Budgeted Financial Performance (revenue and expenditure by standard classification)
for the year ended 30 June 2016

2016												2015												
	Original Budget		Budget Adjustments (i.e. s28 and s31 of the MFMA)		Final adjustments budget		Shifting of funds (i.e. s31 of the MFMA)		Virement (i.e. Council approved policy)		Final Budget		Actual Outcome		Unauthorised expenditure		Variance of Actual Outcome against Adjustments Budget		Actual Outcome as % of Final Budget		Actual Outcome as % of Original Budget		Restated Audited Outcome	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	
Revenue - Standard																								
Governance and administration	2,826,737,221	(36,781,558)	2,790,955,663	-	2,790,955,663	2,790,955,663	-	-	-	-	2,790,955,663	2,633,156,314	(257,799,349)	91 %	-	-	(257,799,349)	90 %	-	-	-	-	2,767,441,841	
Executive and council	1,711,932	-	1,711,932	-	1,711,932	1,711,932	-	-	-	-	1,711,932	-	(1,711,932)	-	-	-	(1,711,932)	-	-	-	-	-	-	
Budget and treasury office	2,758,087,426	(35,781,558)	2,722,305,868	-	2,722,305,868	2,722,305,868	-	-	-	-	2,722,305,868	2,508,515,139	(213,790,729)	92 %	-	-	(213,790,729)	92 %	-	-	-	-	2,750,120,403	
Corporate services	66,937,863	-	66,937,863	-	66,937,863	66,937,863	-	-	-	-	66,937,863	24,641,175	(42,296,688)	37 %	-	-	(42,296,688)	37 %	-	-	-	-	17,321,238	
Community and public safety	390,380,171	(326,626)	390,054,545	-	390,054,545	390,054,545	-	-	-	-	390,054,545	78,347,486	(311,707,059)	20 %	-	-	(311,707,059)	20 %	-	-	-	-	100,941,798	
Community and social services	5,855,498	-	5,855,498	-	5,855,498	5,855,498	-	-	-	-	5,855,498	6,594,337	738,839	113 %	-	-	738,839	113 %	-	-	-	-	5,912,069	
Sport and recreation	2,079,664	-	2,079,664	-	2,079,664	2,079,664	-	-	-	-	2,079,664	2,206,733	127,069	106 %	-	-	127,069	106 %	-	-	-	-	1,884,423	
Public safety	73,880,862	(317,626)	73,563,236	-	73,563,236	73,563,236	-	-	-	-	73,563,236	52,147,762	(21,415,474)	71 %	-	-	(21,415,474)	71 %	-	-	-	-	79,217,297	
Housing	308,541,523	-	308,541,523	-	308,541,523	308,541,523	-	-	-	-	308,541,523	17,397,101	(291,144,422)	6 %	-	-	(291,144,422)	6 %	-	-	-	-	13,924,065	
Health	22,624	(8,000)	14,624	-	14,624	14,624	-	-	-	-	14,624	1,553	(13,071)	11 %	-	-	(13,071)	7 %	-	-	-	-	3,914	
Economic and environmental services	9,801,402	(40,883)	9,760,519	-	9,760,519	9,760,519	-	-	-	-	9,760,519	7,114,060	(2,646,469)	73 %	-	-	(2,646,469)	73 %	-	-	-	-	7,854,470	
Planning and development	7,095,753	-	7,095,753	-	7,095,753	7,095,753	-	-	-	-	7,095,753	5,515,289	(1,580,464)	78 %	-	-	(1,580,464)	78 %	-	-	-	-	6,616,747	
Road transport	2,472,199	(34,043)	2,438,156	-	2,438,156	2,438,156	-	-	-	-	2,438,156	1,036,755	(1,401,401)	43 %	-	-	(1,401,401)	42 %	-	-	-	-	1,102,107	
Environmental protection	233,450	(6,840)	226,610	-	226,610	226,610	-	-	-	-	226,610	562,016	(335,406)	248 %	-	-	(335,406)	241 %	-	-	-	-	135,616	
Trading services	1,697,132,990	(264,320,100)	1,342,812,890	-	1,342,812,890	1,342,812,890	-	-	-	-	1,342,812,890	1,324,211,306	(18,601,584)	99 %	-	-	(18,601,584)	99 %	-	-	-	-	1,164,143,646	
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Water	975,462,824	(212,509,252)	762,953,572	-	762,953,572	762,953,572	-	-	-	-	762,953,572	724,220,325	(38,733,247)	95 %	-	-	(38,733,247)	DIV/0 %	-	-	-	-	726,713,601	
Waste water management	355,690,253	(38,158,606)	317,531,647	-	317,531,647	317,531,647	-	-	-	-	317,531,647	342,543,005	25,011,358	108 %	-	-	25,011,358	96 %	-	-	-	-	304,979,608	
Waste management	265,979,913	(3,652,242)	262,327,671	-	262,327,671	262,327,671	-	-	-	-	262,327,671	257,447,976	(4,879,695)	98 %	-	-	(4,879,695)	97 %	-	-	-	-	132,450,336	
Other	22,065,296	-	22,065,296	-	22,065,296	22,065,296	-	-	-	-	22,065,296	23,340,782	1,275,486	106 %	-	-	1,275,486	106 %	-	-	-	-	-	
Other	22,065,296	-	22,065,296	-	22,065,296	22,065,296	-	-	-	-	22,065,296	23,340,782	1,275,486	106 %	-	-	1,275,486	106 %	-	-	-	-	-	
Total Revenue - Standard	4,846,117,080	(290,468,167)	4,555,648,913	-	4,555,648,913	4,555,648,913	-	-	-	-	4,555,648,913	3,966,169,948	(689,478,965)	87 %	-	-	(689,478,965)	87 %	-	-	-	-	4,061,654,629	

Mangaung Metropolitan Municipality
Appendix G1 to the Annual Financial Statements - Unaudited
Budgeted Financial Performance (revenue and expenditure by standard classification)
for the year ended 30 June 2016

2016													2015												
Expenditure - Standard	Original Budget		Budget Adjustments (i.t.o. s28 and s31 of the MFMA)		Final adjustments budget		Shifting of funds (i.t.o. s31 of the MFMA)		Virement (i.t.o. Council approved policy)		Final Budget		Actual Outcome		Unauthorised expenditure		Variance of Actual Outcome against Budget Adjustments		Actual Outcome as % of Final Budget		Actual Outcome as % of Original Budget		Restated Audited Outcome		
	Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand				
Governance and administration	1,407,998,828		(100,616,648)		1,307,382,180		6,277,403		-		1,313,659,583		1,373,896,599		-		60,237,016		105 %		98 %		1,681,750,549		
Executive and council	390,291,419		9,153,338		399,444,757		(17,690,327)		-		391,754,430		396,400,566		-		14,646,256		104 %		102 %		282,826,384		
Budget and treasury office	647,811,145		(89,066,179)		558,754,966		15,000,000		-		573,754,966		626,463,600		-		52,707,634		109 %		97 %		1,083,916,919		
Corporate services	369,886,264		(20,713,807)		349,182,457		8,967,730		-		358,150,187		351,033,313		-		(7,116,874)		96 %		95 %		335,007,246		
Community and public safety	578,588,118		24,206,612		602,904,730		(7,097,140)		-		595,807,590		496,941,444		-		(99,866,146)		83 %		86 %		407,889,067		
Community and social services	184,730,333		(10,183,829)		174,546,404		(80,000)		-		174,466,404		132,426,510		-		(42,039,894)		76 %		72 %		122,252,645		
Sport and recreation	51,111,592		4,921,130		56,032,722		(6,749,110)		-		49,283,612		31,444,746		-		(17,838,866)		64 %		62 %		23,491,526		
Public safety	244,730,327		13,976,767		258,707,094		800,000		-		258,707,094		213,946,672		-		(44,760,422)		83 %		87 %		187,911,846		
Housing	84,296,235		16,818,468		101,114,704		800,000		-		101,814,704		109,363,383		-		7,448,679		107 %		130 %		62,621,572		
Health	13,829,630		(1,325,824)		12,503,806		(1,068,030)		-		11,435,776		8,760,133		-		(2,675,643)		77 %		63 %		11,611,478		
Economic and environmental services	512,101,998		(6,282,778)		506,819,219		1,315,737		-		508,134,966		847,854,887		-		339,719,931		167 %		166 %		825,223,182		
Planning and development	98,522,365		2,156,216		101,678,581		1,315,737		-		102,994,318		87,368,651		-		(15,625,667)		85 %		88 %		79,466,377		
Road transport	380,573,999		(5,123,507)		375,450,492		-		-		375,450,492		737,816,511		-		362,366,019		197 %		194 %		727,826,598		
Environmental protection	32,005,634		(2,315,488)		29,690,146		-		-		29,690,146		22,669,725		-		(7,020,421)		76 %		71 %		17,930,207		
Trading services	1,363,614,182		3,667,748		1,367,281,930		230,000		-		1,367,511,930		1,388,061,958		-		30,569,968		102 %		103 %		1,027,521,613		
Electricity	-		-		-		-		-		-		-		-		-		DIV/0 %		DIV/0 %		-		
Water	858,704,211		2,374,841		861,079,052		-		-		861,079,052		903,115,804		-		42,036,752		105 %		105 %		721,402,078		
Waste water management	266,675,183		(3,166,923)		263,708,260		-		-		263,708,260		282,894,266		-		19,186,006		107 %		106 %		305,931,112		
Waste management	228,034,788		4,459,830		232,494,618		230,000		-		232,724,618		202,071,828		-		(30,652,790)		87 %		89 %		188,323		
Other	33,662,617		(1,910,000)		31,642,517		(726,000)		-		30,916,517		22,627,863		-		(8,388,654)		73 %		67 %		-		
Other	33,552,517		(1,910,000)		31,642,517		(726,000)		-		30,916,517		22,527,863		-		(8,388,654)		73 %		67 %		13,345,153		
Total Expenditure - Standard	3,885,965,843		(79,935,067)		3,806,030,776		-		-		3,806,030,676		4,128,302,691		-		322,272,116		108 %		106 %		3,966,729,464		
Surplus/(Deficit) for the year	960,151,437		(210,533,100)		749,618,337		-		-		749,618,337		(162,132,743)				(911,751,060)		(22)%		(17)%		105,925,166		

Mangaung Metropolitan Municipality
Appendix G2 to the Annual Financial Statements - Unaudited
Budgeted Financial Performance (revenue and expenditure by municipal vote)
for the year ended 30 June 2016

2016										2015									
Original Budget			Budget Adjustments (I.L.O. s28 and s31 of the MFMA)		Final adjustments budget		Virement (I.L.O. Council approved policy)		Final Budget		Actual Outcome		Variance of Actual Outcome against Adjustments Budget		Actual Outcome as % of Original Budget		Restated Audited Outcome		
Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand	
Revenue by Vote																			
Vote 1 - City Manager	-	-	-	-	13,304,124	-	-	-	13,304,124	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-
Vote 2 - Executive Mayor	13,304,124	-	-	-	1,101,599,141	-	-	-	1,101,599,141	-	6,661,143	-	(6,642,981)	-	50 %	50 %	-	-	-
Vote 3 - Corporate Services	1,269,360,839	-	-	-	1,101,599,141	-	-	-	1,101,599,141	-	1,182,529,822	-	80,930,781	-	93 %	93 %	-	-	-
Vote 4 - Finance	81,544,980	(366,149)	-	-	81,178,831	-	-	-	81,178,831	-	78,681,591	-	(2,437,240)	-	97 %	96 %	-	-	-
Vote 5 - Social Services	28,189,621	-	-	-	28,189,621	-	-	-	28,189,621	-	27,959,415	-	(230,206)	-	99 %	99 %	-	-	-
Vote 6 - Planning	364,266,750	-	-	-	364,266,750	-	-	-	364,266,750	-	36,753,881	-	(327,512,869)	-	10 %	10 %	-	-	-
Vote 7 - Human Settlement and Housing	556,899	-	-	-	556,899	-	-	-	556,899	-	3,672	-	(553,227)	-	1 %	1 %	-	-	-
Vote 8 - Economic and Rural Development	357,012,611	(38,158,606)	-	-	318,854,005	-	-	-	318,854,005	-	355,205,980	-	36,351,975	-	111 %	99 %	-	-	-
Vote 9 - Engineering Services	975,462,824	(212,509,252)	-	-	762,953,572	-	-	-	762,953,572	-	724,220,325	-	(38,733,247)	-	95 %	74 %	-	-	-
Vote 10 - Water Services	265,979,913	(3,652,242)	-	-	262,327,671	-	-	-	262,327,671	-	238,036,260	-	(26,291,411)	-	90 %	89 %	-	-	-
Vote 11 - Waste and Fleet Management	1,490,438,519	131,980,140	-	-	1,622,418,659	-	-	-	1,622,418,659	-	1,388,926,564	-	(233,492,095)	-	86 %	93 %	-	-	-
Vote 12 - Miscellaneous Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-
Vote 13 - Regional Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-
Vote 14 - Strategic Projects and Service Delivery Regulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-
Vote 15 - Electricity - Centlec (SOC) Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-
Fresh Produce Market (2015)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-
Total Revenue by Vote	4,846,117,080	(290,467,807)	4,556,649,273	-	4,556,649,273	-	-	-	4,556,649,273	-	4,036,978,763	-	(518,670,520)	-	89 %	83 %	-	-	20,654,288
Expenditure by Vote to be appropriated																			
Vote 1 - City Manager	58,089,417	14,074,000	-	-	70,163,417	-	-	-	70,163,417	-	128,515,235	-	58,351,818	-	183 %	229 %	-	-	35,368,875
Vote 2 - Executive Mayor	203,541,677	550,149	-	-	204,091,826	-	-	-	204,091,826	-	180,091,455	-	(24,000,371)	-	88 %	88 %	-	-	162,064,253
Vote 3 - Corporate Services	298,844,096	870,000	-	-	299,714,096	-	-	-	299,714,096	-	240,185,215	-	(59,528,881)	-	80 %	80 %	-	-	210,991,630
Vote 4 - Finance	286,591,375	(4,815,529)	-	-	281,775,846	-	-	-	281,775,846	-	237,204,546	-	(44,571,300)	-	84 %	83 %	-	-	217,164,807
Vote 5 - Social Services	474,628,408	1,900,003	-	-	476,528,409	-	-	-	476,528,409	-	379,933,798	-	(96,594,611)	-	80 %	80 %	-	-	341,370,693
Vote 6 - Planning	135,323,531	555,252	-	-	135,878,783	-	-	-	135,878,783	-	123,157,908	-	(12,720,875)	-	91 %	91 %	-	-	98,271,829
Vote 7 - Human Settlement and Housing	119,186,262	13,298,468	-	-	132,484,730	-	-	-	132,484,730	-	136,234,889	-	3,750,159	-	103 %	114 %	-	-	90,371,404
Vote 8 - Economic and Rural Development	47,671,885	-	-	-	47,671,885	-	-	-	47,671,885	-	30,809,318	-	(16,862,567)	-	55 %	55 %	-	-	1,139,818,055
Vote 9 - Engineering Services	651,923,130	(9,620,514)	-	-	642,302,616	-	-	-	642,302,616	-	1,021,746,486	-	379,443,870	-	159 %	157 %	-	-	721,402,078
Vote 10 - Water Services	858,704,211	2,374,841	-	-	861,079,052	-	-	-	861,079,052	-	903,115,804	-	42,036,752	-	105 %	105 %	-	-	882,859,824
Vote 11 - Waste and Fleet Management	299,023,695	(15,881,087)	-	-	283,142,608	-	-	-	283,142,608	-	291,861,479	-	8,718,871	-	103 %	98 %	-	-	42,005,099
Vote 12 - Miscellaneous Operations	396,497,763	(83,240,650)	-	-	313,257,113	-	-	-	313,257,113	-	404,494,801	-	91,237,688	-	129 %	102 %	-	-	13,040,917
Vote 13 - Regional Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-
Vote 14 - Strategic Projects and Service Delivery Regulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-
Vote 15 - Electricity - Centlec (SOC) Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-
Fresh Produce Market (2015)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-
Total Expenditure by Vote	3,880,884,862	(74,864,286)	3,806,030,576	-	3,806,030,576	-	-	-	3,806,030,576	-	4,120,005,785	-	313,975,209	-	108 %	106 %	-	-	3,956,729,464
Surplus/(Deficit) for the year	965,232,218	(215,613,521)	749,618,697	-	749,618,697	-	-	-	749,618,697	-	(83,027,032)	-	(832,846,729)	-	(11)%	(9)%	-	-	3,935,075,176)

Mangaung Metropolitan Municipality
Appendix G3 to the Annual Financial Statements - Unaudited
Budgeted Financial Performance (revenue and expenditure)
for the year ended 30 June 2016

	2016						2015																	
	Original Budget		Budget Adjustments (i.t.o. s28 and s31 of the MFMA)		Final adjustments budget		Shifting of funds (i.t.o. s31 of the MFMA)		Virement (i.t.o. Council approved policy)		Final Budget		Actual Outcome		Unauthorised expenditure		Variance of Actual Outcome against Budget		Actual Outcome as % of Final Budget		Actual Outcome as % of Original Budget		Restated Audited Outcome	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Revenue By Source																								
Property rates	913,072,817	(167,761,698)	745,311,119	-	-	-	-	-	-	-	745,311,119	810,476,471	-	65,165,352	109 %	89 %	-	65,165,352	109 %	89 %	-	787,453,694	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Service charges - electricity revenue	876,184,784	(212,509,252)	663,675,532	-	-	-	-	-	-	-	663,675,532	622,627,224	-	(41,048,308)	94 %	71 %	-	(41,048,308)	94 %	71 %	-	659,267,292	-	-
Service charges - water revenue	235,259,401	(38,158,606)	197,100,795	-	-	-	-	-	-	-	197,100,795	220,157,852	-	23,057,057	112 %	94 %	-	23,057,057	112 %	94 %	-	282,923,059	-	-
Service charges - sanitation revenue	93,138,251	(3,652,242)	89,486,009	-	-	-	-	-	-	-	89,486,009	84,729,214	-	(4,756,795)	95 %	91 %	-	(4,756,795)	95 %	91 %	-	77,570,337	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Rental of facilities and equipment	33,298,212	-	33,298,212	-	-	-	-	-	-	-	33,298,212	32,916,698	-	(381,514)	99 %	99 %	-	(381,514)	99 %	99 %	-	28,656,271	-	-
Interest earned - external investments	47,796,145	-	47,796,145	-	-	-	-	-	-	-	47,796,145	95,105,875	-	47,309,530	199 %	199 %	-	47,309,530	199 %	199 %	-	31,646,860	-	-
Interest earned - outstanding debtors	145,398,539	-	145,398,539	-	-	-	-	-	-	-	145,398,539	167,817,589	-	22,219,050	115 %	115 %	-	22,219,050	115 %	115 %	-	172,068,399	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Fines	70,360,739	-	70,360,739	-	-	-	-	-	-	-	70,360,739	51,062,513	-	(19,278,226)	73 %	73 %	-	(19,278,226)	73 %	73 %	-	77,671,023	-	-
Licences and permits	1,010,132	-	1,010,132	-	-	-	-	-	-	-	1,010,132	656,529	-	(353,603)	65 %	65 %	-	(353,603)	65 %	65 %	-	170,678	-	-
Agency services	1,745,975	(34,043)	1,711,932	-	-	-	-	-	-	-	1,711,932	655,808,218	-	(1,711,932)	-	-	-	(1,711,932)	-	-	-	108,370,538	-	-
Transfers recognised - operational	615,265,000	17,792,291	633,047,291	-	-	-	-	-	-	-	633,047,291	573,337,427	-	(59,709,864)	104 %	107 %	-	22,760,927	104 %	107 %	-	519,281,852	-	-
Other revenue	1,059,593,372	6,994,162	1,066,587,534	-	-	-	-	-	-	-	1,066,587,534	592,710	-	(493,250,107)	54 %	54 %	-	(493,250,107)	54 %	54 %	-	585,585,425	-	-
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	592,710	-	592,710	DIV/0 %	DIV/0 %	-	592,710	DIV/0 %	DIV/0 %	-	1,257,030	-	-
Total Revenue (excluding capital transfers and contributions)	4,092,113,367	(397,329,388)	3,694,783,979	-	-	-	-	-	-	-	3,694,783,979	3,315,108,120	-	(379,675,859)	90 %	81 %	-	(379,675,859)	90 %	81 %	-	3,431,922,468	-	-

Mangaung Metropolitan Municipality

	2016				2015							
	Original Budget	Budget Adjustments (I.L.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (I.L.o. s31 of the MFMA)	Virement (I.L.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Budget	Actual Outcome as % of Final Budget	Actual of Original Budget	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Expenditure By Type												
Employee related costs	1,433,392,645	(120,427,484)	1,312,965,161	-	-	1,312,965,161	1,285,443,446	-	(27,521,715)	98 %	90 %	1,185,268,010
Remuneration of councillors	52,671,527	-	52,671,527	-	-	52,671,527	52,421,659	-	(249,868)	100 %	100 %	49,594,283
Debt impairment	224,626,112	-	224,626,112	-	-	224,626,112	465,223,524	-	240,597,412	207 %	207 %	600,426,422
Depreciation & asset impairment	410,776,713	-	410,776,713	-	-	410,776,713	575,114,017	-	164,337,304	140 %	140 %	575,598,461
Finance charges	216,180,121	(83,240,650)	132,939,471	(1,000,000)	-	131,939,471	140,484,895	-	8,545,424	106 %	85 %	172,308,584
Bulk purchases	430,572,676	-	430,572,676	(4,000,000)	-	446,572,676	419,812,317	-	(26,760,359)	94 %	93 %	430,764,023
Other materials	267,390,275	78,737,110	346,127,385	7,577,654	-	353,705,039	451,471,981	-	97,766,942	128 %	169 %	-
Contracted services	223,633,903	54,235,290	277,869,193	21,089,279	-	298,938,472	289,966,048	-	(8,972,424)	97 %	130 %	229,635,400
Transfers and grants	103,610,826	(32,568,464)	71,042,362	-	-	71,042,362	43,632,021	-	(27,410,341)	61 %	42 %	146,210,449
Other expenditure	503,110,845	23,782,931	526,893,776	(23,646,933)	-	503,246,843	501,324,754	-	(1,922,089)	100 %	100 %	707,454,843
Loss on disposal of PPE							9,324,580	-	9,324,580	DIV/0 %	DIV/0 %	-
Total Expenditure	3,085,965,643	(79,481,287)	3,806,484,376	-	-	3,806,484,376	4,234,219,242	-	427,734,866	111 %	109 %	4,077,281,476
Surplus/(Deficit)	206,147,724	(317,948,121)	(111,700,397)	-	-	(111,700,397)	(919,111,122)	-	(807,410,725)	823 %	(448)%	(846,335,017)
Transfers recognised - capital	754,004,000	106,861,581	860,865,581	-	-	860,865,581	792,338,903	-	(68,526,678)	92 %	105 %	732,367,925
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Contributed assets	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Surplus/(Deficit) after capital transfers & contributions	960,151,724	(210,986,540)	749,165,184	-	-	749,165,184	(126,772,219)	-	(875,937,403)	(17)%	(13)%	87,028,908
Surplus/(Deficit) for the year	960,151,724	(210,986,540)	749,165,184	-	-	749,165,184	(126,772,219)	-	(875,937,403)	(17)%	(13)%	87,028,908

Mangaung Metropolitan Municipality
Appendix G4 - Unaudited
Budgeted Capital Expenditure by vote, standard classification and funding
for the year ended 30 June 2016

	2016				2015					
Original Budget	Budget Adjustments (i.e. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.e. s31 of the MFMA)	Virement (i.e. Council approved policy)	Final Budget	Actual Outcome	Variance of Actual Outcome against Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Capital expenditure - Vote										
Vote 1 - City Manager	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Vote 2 - Executive Mayor	29 540 313	11 258 455	40 798 768	-	40 798 768	31 988 705	(8 810 063)	78 %	108 %	35 370 978
Vote 3 - Corporate Services	5 604 699	-	5 604 699	-	5 604 699	4 281 952	(1 322 747)	76 %	76 %	5 957 125
Vote 4 - Finance	67 600 906	5 981 808	73 582 714	-	73 582 714	48 800 060	(24 782 654)	66 %	72 %	57 858 921
Vote 5 - Social Services	166 638 788	(19 783 428)	146 855 360	-	146 855 360	66 890 975	(79 964 385)	45 %	40 %	64 202 385
Vote 6 - Planning	50 200 000	-	60 200 000	-	60 200 000	84 420 513	24 220 513	140 %	140 %	9 945 645
Vote 7 - Human Settlement & Housing	18 853 432	(3 464 250)	15 389 182	-	15 389 182	10 216 157	(5 171 025)	66 %	54 %	-
Vote 8 - Economic & Rural Development	737 186 883	88 559 877	825 746 560	-	825 746 560	794 164 233	(31 582 327)	96 %	108 %	543 425 866
Vote 9 - Engineering Services	255 062 870	55 970 608	311 033 478	-	311 033 478	266 813 910	(44 219 568)	86 %	105 %	310 166 639
Vote 10 - Water services	107 846 000	(2 000 000)	105 846 000	-	105 846 000	78 066 918	(27 779 082)	74 %	72 %	12 351 470
Vote 11 - Waste and Fleet Management	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Vote 12 - Miscellaneous Services	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Vote 13 - Regional Operations	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Vote 14 - Strategic Projects & Service Delivery Regulation	20 000 000	-	20 000 000	-	20 000 000	21 535 723	1 535 723	108 %	108 %	5 000 000
Vote 15 - Electricity - Centlec (SOC) Ltd	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Fresh Produce Market (2015)	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	2 357 458
Capital multi-year expenditure sub-total	1 488 533 691	136 523 070	1 605 066 761	-	1 605 066 761	1 407 181 146	(197 876 615)	88 %	96 %	1 046 636 487

Mangaung Metropolitan Municipality
Appendix G4 - Unaudited
Budgeted Capital Expenditure by vote, standard classification and funding
for the year ended 30 June 2016

2016														2015													
Original Budget				Budget Adjustments (i.i.o. s28 and s31 of the MFMA)		Final adjustments budget		Shifting of funds (i.i.o. s31 of the MFMA)		Virement (i.i.o. Council approved policy)		Final Budget		Actual Outcome		Variance of Actual Outcome against Adjustments		Actual Outcome as % of Final Budget		Actual Outcome as % of Original Budget		Restated Audited Outcome					
Rand				Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand					
Capital Expenditure - Standard																											
Governance and administration																											
Executive and council				1,032,579		146,183,278		(600,000)		-		145,683,278		153,009,386		7,326,108		105 %		105 %		87,618,999					
Budget and treasury office				-		20,000,000		-		-		20,000,000		21,535,723		1,535,723		108 %		108 %		5,000,000					
Corporate services				1,032,579		120,578,579		(500,000)		-		5,604,699		6,032,984		426,285		108 %		108 %		5,957,125					
Community and public safety				12,271,206		143,112,425		(200,000)		-		120,078,579		125,440,679		5,362,100		104 %		105 %		75,661,774					
Community and social services				5,090,120		60,706,826		(1,850,000)		-		142,912,425		104,726,390		(38,187,035)		73 %		80 %		81,151,423					
Sport and recreation				225,876		13,266,189		500,000		-		58,856,826		38,458,871		(20,399,955)		65 %		69 %		45,129,323					
Public safety				(3,044,790)		8,939,410		1,150,000		-		13,766,189		9,319,820		(4,446,369)		68 %		71 %		15,996,402					
Housing				10,000,000		60,200,000		-		-		60,200,000		49,420,513		(10,779,487)		82 %		98 %		9,945,645					
Health				24,722,671		490,514,998		1,359,040		-		491,874,038		383,476,280		(108,398,758)		DIV/0 %		DIV/0 %		173,976					
Economic and environmental services				(25,247,678)		159,494,542		-		-		159,494,542		72,460,883		(87,033,659)		78 %		82 %		248,371,261					
Planning and development				45,333,871		326,383,978		659,040		-		327,043,018		308,199,393		(18,843,625)		45 %		39 %		64,202,385					
Road transport				4,636,478		700,000		-		-		5,336,478		2,815,094		(2,521,474)		94 %		110 %		181,345,345					
Environmental protection				97,196,614		823,196,060		(659,040)		-		822,537,020		742,777,314		(79,769,706)		53 %		DIV/0 %		2,823,521					
Trading services				-		-		-		-		-		-		-		90 %		102 %		627,137,456					
Electricity				55,970,608		311,033,478		-		-		311,033,478		247,203,698		(63,829,780)		DIV/0 %		DIV/0 %		-					
Water				43,226,006		499,362,582		(659,040)		-		498,703,542		485,964,839		(12,738,703)		79 %		97 %		310,166,639					
Waste water management				(2,000,000)		12,800,000		-		-		12,800,000		9,608,577		(3,191,423)		97 %		107 %		301,978,360					
Waste management				2,000,000		2,760,000		-		-		2,760,000		125,693		(2,634,307)		75 %		65 %		14,992,457					
Other				760,000		2,000,000		-		-		2,760,000		125,693		(2,634,307)		5 %		17 %		-					
Other				750,000		2,750,000		-		-		2,750,000		125,693		(2,624,307)		5 %		17 %		2,357,458					
Total Capital Expenditure - Standard				137,223,070		1,606,766,761		-		-		1,606,766,761		1,384,113,063		(221,643,698)		88 %		94 %		1,046,636,487					
Funded by:																											
National Government				104,263,555		858,267,555		-		-		858,267,555		788,912,997		(69,354,558)		92 %		105 %		-					
Provincial Government				2,598,026		2,598,026		-		-		2,598,026		-		(2,598,026)		-		DIV/0 %		-					
District Municipality				-		-		-		-		-		-		-		-		DIV/0 %		-					
Other transfers and grants				-		-		-		-		-		-		-		-		DIV/0 %		-					
Transfers recognised - capital																											
Public contributions & donations				106,861,581		860,865,681		-		-		860,865,681		788,912,997		(71,962,684)		92 %		106 %		-					
Borrowing				14,673,228		528,929,228		-		-		528,929,228		618,268,147		(89,338,919)		DIV/0 %		DIV/0 %		-					
Internally generated funds				14,988,261		215,261,952		-		-		215,261,952		-		(215,261,952)		-		117 %		120 %					
Total Capital Funding				136,523,070		1,605,056,761		-		-		1,605,056,761		1,407,181,144		(197,875,617)		88 %		96 %		-					

Mangaung Metropolitan Municipality
Appendix G5 to the Annual Financial Statements - Unaudited
Budgeted Cash Flows
for the year ended 30 June 2016

	2016						2015											
	Original Budget		Budget Adjustments (i.i.o. s28 and s31 of the MFMA)		Final adjustments budget		Shifting of funds (i.i.o. s31 of the MFMA)		Final Budget		Actual Outcome		Variance of Actual Outcome against Adjustments Budget		Actual Outcome as % of Original Budget		Restated Audited Outcome	
	Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand	
Cash flow from operating activities																		
Ratepayers and other	2 829 195 418		(349 700 021)		2 479 495 397		-		2 479 495 397		1 418 370 319		(1 061 125 078)		57 %		50 %	5 711 950 199
Government - operating	615 255 000		(2 029 000)		613 226 000		-		613 226 000		913 740 809		300 514 809		149 %		149 %	619 281 852
Government - capital	754 004 000		(7 650 000)		746 354 000		-		746 354 000		795 030 367		48 666 367		105 %		105 %	732 367 925
Interest	286 286 493		(146 069 747)		140 216 746		-		140 216 746		181 320 702		41 103 956		129 %		63 %	203 715 259
Suppliers and employees	(2 790 895 910)		52 862 430		(2 738 033 480)		-		(2 738 033 480)		(2 351 238 869)		386 794 611		86 %		84 %	5 107 489 879
Finance charges	(205 371 115)		92 372 565		(112 998 550)		-		(112 998 550)		-		112 998 550		- %		- %	172 309 584
Transfers and Grants	(43 015 663)		38 696 018		(4 319 645)		-		(4 319 645)		-		4 319 645		- %		- %	146 210 449
Net cash flow from/used operating activities	1 445 468 223		(321 627 756)		1 123 930 468		-		1 123 930 468		957 223 328		(166 707 140)		86 %		66 %	12 693 325 147
Cash flow from investing activities																		
Proceeds on disposal of PPE	-		(267 500)		(267 500)		-		(267 500)		-		267 500		- %		DIV/0 %	(427 638 474)
Decrease (increase) other non-current receivables	-		-		-		-		-		380 172		380 172		DIV/0 %		DIV/0 %	-
Capital assets	(1 321 680 322)		(42 617 513)		(1 364 297 835)		-		(1 364 297 835)		(1 188 424 785)		175 873 050		87 %		90 %	(517 417 243)
Net cash flow from/used Investing activities	(1 321 680 322)		(42 885 013)		(1 364 565 335)		-		(1 364 565 335)		(1 188 044 613)		176 520 722		87 %		90 %	(2 198 423 693)
Cash flow from financing activities																		
Borrowing long term/refinancing	173 000 000		-		173 000 000		-		173 000 000		181 872 347		8 872 347		105 %		105 %	409 227 186
Increase (decrease) in consumer deposits	6 000 000		(4 001 070)		1 998 930		-		1 998 930		2 856 316		857 386		143 %		48 %	2 342 916
Repayment of borrowing	(131 135 568)		19 670 335		(111 465 233)		-		(111 465 233)		(116 773 362)		(5 308 129)		105 %		89 %	-
Net cash flow from/used financing activities	47 864 432		15 669 265		63 533 697		-		63 533 697		67 955 301		4 421 604		107 %		142 %	2 017 308 762
Net increase/(decrease) in cash held	171 642 333		(348 743 503)		(177 101 170)		-		(177 101 170)		(162 865 984)		14 235 186		92 %		(95)%	12 512 210 336
Cash/cash equivalents at the year begin.											101 255 737							33 069 220
Cash/cash equivalents at the year end:	171 642 333		(348 743 503)		(177 101 170)		-		(177 101 170)		(61 610 247)		14 235 186		35 %		(36)%	

Mangaung Metropolitan Municipality
Appendix H to the Annual Financial Statements - Audited
Councillors' Arrear Consumer Accounts (over 90 days)
for the year ended 30 June 2016

Surname and Initials	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016
Botes F R	-	-	-	-	1	-	-	-	-	-	-	-
Lala T S	-	-	-	39	-	118	105	174	346	457	750	146
Lekgela L E	529	-	-	-	-	-	-	-	-	-	-	-
Mashoane E D	25,885	23,619	21,352	19,086	16,822	16,945	14,681	10,019	10,112	5,589	3,203	817
Masoetsa L A	-	-	-	899	-	-	-	-	-	-	-	-
Matsemelela M V	80	-	-	-	-	-	-	-	-	-	-	-
Matsoellane M J	629	-	-	-	-	-	-	-	-	350	574	-
Mbangane M B	11,789	12,471	13,133	13,883	14,919	16,504	15,100	14,294	14,177	14,177	14,792	12,109
Minnie H	477	426	602	918	1,172	1,429	1,444	441	444	447	450	453
Mononyane M B	36,195	32,706	29,339	27,651	24,136	24,935	15,880	12,274	12,987	6,893	2,550	-
Mpakathe T S	-	-	-	-	1	-	-	618	1,200	2,092	2,307	2,863
Mphrekeka M S	29,257	26,132	22,997	20,153	20,804	17,663	15,245	12,052	12,052	7,652	3,943	233
Mishwane K J	-	-	-	-	-	2	-	-	306	-	278	-
Naile T J	486	489	492	496	499	502	506	509	513	516	520	523
Ndamande SS	712	712	-	-	-	-	-	-	-	-	-	-
Nkoe M J	70,269	62,396	62,863	62,446	63,317	72,137	72,687	73,023	74,498	75,145	76,649	78,277
Petersen J E	23,096	24,525	23,853	23,217	22,695	22,131	21,624	21,229	20,583	18,536	15,997	15,477
Phajane M A	6,704	7,823	9,076	10,348	10,787	11,009	9,006	10,275	11,512	12,802	14,913	16,244
Siyonzana M A	328	656	-	-	-	-	-	-	-	-	-	-
Thipenyane G	-	-	-	-	-	-	-	-	-	-	-	-
Titi L M	-	-	-	-	-	-	-	536	-	-	-	-
Ward V W	101,570	93,499	3,263	-	-	-	7,820	1,164	1,717	1,173	1,187	1,297
Grand Total	308,006	285,454	186,990	183,518	180,579	189,927	174,098	168,300	173,144	162,074	156,037	149,028

Mangaung Metropolitan Municipality
Appendix H to the Annual Financial Statements - Audited
Councillors' Arrear Consumer Accounts (over 90 days)
for the year ended 30 June 2015

Surname and Initials	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015
Bacela G M	1,645	1,459	1,276	1,107	936	764	590	415	236	58	-	-
Lekgela L E	-	-	-	-	-	-	-	-	-	-	74	536
Manyoni T M	-	-	-	-	-	1,067	3,074	5,516	25	-	-	-
Mashoane E D	24,462	24,579	24,695	24,812	24,931	25,050	25,169	25,289	25,408	25,527	25,647	25,766
Matsenolela M V	-	-	-	-	-	-	417	359	469	656	599	340
Matsoelane M J	-	-	-	-	-	-	-	-	-	1,057	889	744
Mbange M B	4,202	4,790	5,502	6,153	6,861	7,361	7,735	8,325	8,971	9,929	10,537	11,094
Minnie H	435	753	1,358	2,030	2,187	427	443	460	462	577	714	472
Mononyane M B	43,325	44,904	45,760	48,675	48,610	50,070	50,875	51,689	52,507	51,233	52,059	34,935
Mpakathe T S	-	-	-	-	-	-	-	-	-	-	109	115
Mpheqeka M S	28,928	29,444	29,362	30,435	30,404	30,428	30,265	30,322	30,293	30,444	30,412	30,049
Mtshwane K J	-	-	-	-	-	-	-	91	191	-	-	-
Naile T J	-	-	177	508	1,189	1,566	1,746	1,930	2,118	2,300	2,482	-
Ndamane S S	100	-	-	-	-	-	-	-	53	-	775	645
Nkoe M J	66,597	67,067	67,526	67,891	66,941	67,582	67,086	67,746	68,215	68,649	69,249	69,734
Nolhnagel J	4,683	3,911	3,161	22	36	789	2,164	4,085	5,991	9,245	132	-
Petersen J E	15,746	16,444	17,099	17,841	18,629	19,455	20,895	21,762	23,664	25,445	20,070	21,449
Phajane M A	-	-	-	-	35	1,102	-	6	19	2,437	4,151	5,379
Sechaoro C S K	1,304	2,179	2,554	2,998	2,403	3,180	4,131	4,189	4,843	-	-	-
Thipenyane G	-	-	-	-	-	503	1,006	513	1,025	-	-	-
Tsomela M M	918	944	1,074	1,032	1,407	174	370	343	982	1,503	-	-
Ward V W	112,255	112,024	109,413	109,153	108,738	107,442	107,692	107,922	101,525	100,732	100,464	101,130
Grand Total	304,600	308,498	308,957	312,657	313,307	316,960	323,658	330,962	326,997	329,792	318,363	302,388